

## CHAPTER-III

### CIVIL DEPARTMENTS

#### SECTION - A REVIEWS

##### Agriculture Department

##### 3.1 Working of Agriculture Department

###### **Highlights**

*The main objective of Agriculture Department to increase production of foodgrains, oilseeds, pulses, etc, in the State had not been achieved as the foodgrain production was consistently below target during the years 1998-99 to 2002-2003. The department also failed to disseminate the latest know how to the farmers. Important points noticed as a result of test-check of records are as under:*

**\*\* Advance subsidy of Rs 23.30 lakh was drawn by Deputy Directors Agriculture, Kullu and Mandi in March 2002 and deposited in capital head of account to avoid lapse of the budget grants thus depriving the farmers of the intended benefits of the scheme.**

**(Paragraph 3.1.12)**

**\*\* Avoidable/unauthorised/wasteful expenditure of Rs 42.27 lakh had been incurred by the department for payment of pay and allowances of staff deployed in excess of the sanctioned strength, etc., during 1998-2003.**

**(Paragraphs 3.1.16 to 3.1.19)**

**\*\* Foodgrains production declined from 13.13 lakh tonnes in 1998-99 to 11.12 lakh tonnes during 2000-2001 and went up again to 15.99 lakh tonnes in 2001-2002.**

**(Paragraph 3.1.21)**

**\*\* The percentage shortfall in physical achievements under the Centrally sponsored schemes during 1998-2003 ranged between 5 and 99.**

**(Paragraph 3.1.25)**

**\*\* Reconnaissance and micro-watershed soil surveys of 2.90 lakh hectares conducted by Assistant Soil Survey Officers, Sundernagar and Palampur during 1998-2003 were not used for planning soil resources while preparing the agriculture production programme. The expenditure of Rs 2.32 crore incurred on these offices during 1998-2003 was not adequately justified.**

**(Paragraph 3.1.29)**

**\*\* Against the approved outlay of Rs 21.69 crore for implementation of National Watershed Development Projects, an expenditure of Rs 10.72 crore was incurred by the State Government. The**

---

The abbreviations used in this review have been listed in the Glossary in Appendix-XIX (Page 153-154).

balance amount of Rs 10.97 crore was not released by Government of India due to poor physical performance of the projects.

(Paragraph 3.1.30)

\*\* Sale proceeds of Rs 3.63 crore realised by the Agriculture Development Officers/Agriculture Extension Officers from the farmers on account of sale of agriculture inputs had not been deposited into Government treasuries as of March 2003.

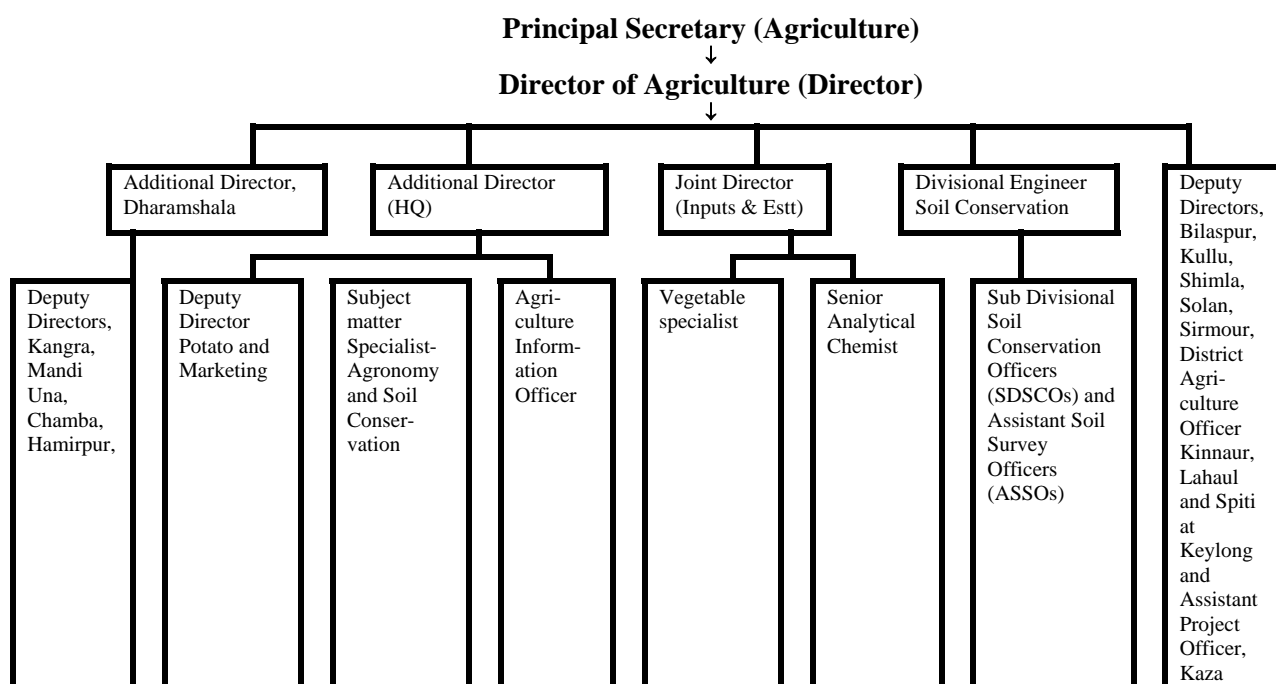
(Paragraph 3.1.39)

### Introduction

**3.1.1** Agriculture is the main occupation of the people of Himachal Pradesh and has an important role in the economy of the State. It provides direct employment to about 71 per cent of the total work force of the State. Despite this the percentage contribution of agriculture and allied services in total State Domestic Product had declined from 57.9 per cent in 1950-51 to 22.5 per cent in 2000-2001. The main objective of the Agriculture Department was to plan, execute and monitor the agriculture production programme in the State for increasing production of food-grains, oil seeds, pulses and vegetables, promote cultivation of cash crops, transmit latest know-how through extension network to farmers, coordinate research and extension activities with Agriculture Universities, plan and implement soil conservation works, arrange and supply agriculture inputs like seeds, plant protection material, agriculture implements and fertilizers to farmers, and ensure quality control. Of the total geographical area of 55.67 lakh hectares of the State, the area of operational farm holdings was about 9.99 lakh hectares operated by 8.63 lakh farmers.

### Organisational set up

**3.1.2** Organisational set up of the department is as under:



### **Audit coverage**

**3.1.3** The working of the Agriculture Department for the period 1998-2003 was reviewed by test-check during December 2002-April 2003 in the offices of five Deputy Directors of Agriculture (DDAs)<sup>1</sup> out of 10, four Sub Divisional Soil Conservation Officers (SDSCOs)<sup>2</sup> out of 20, two Divisional Engineers (DEs) at Palampur and Mandi out of three, two Soil Survey Officers<sup>3</sup>, Agriculture Engineer, Bhangrotu, Analytical Chemist and Soil Testing Officer, Sundernagar, supplemented by a review of records and information supplied by the Director. Thirty one *per cent* of the expenditure incurred by the department during 1998-2003 was test-checked. Important points noticed in audit are discussed in the succeeding paragraphs.

### **Financial Management**

#### **Budgetary procedure and control over expenditure**

**3.1.4** Funds were provided for the department through five grants<sup>4</sup>. The department had 50 Drawing and Disbursing Officers (DDOs) and 15 Controlling Officers as of March 2003. The Director was responsible for preparation and submission of the budget estimates to the Finance Department (FD) through the Administrative Department.

#### **Budget provision and expenditure**

**3.1.5** The budget provisions and actual expenditure during 1998-2003 for the department were as under:

**Table: 3.1**

(Rupees in crore)

Year	Budget provision	Expenditure	Excess (+)/Saving (-)
<b>Revenue Section</b>			
1998-1999	68.13	70.05	(+) 1.92
1999-2000	75.81	75.64	(-) 0.17
2000-2001	80.71	106.75	(+) 26.04
2001-2002	73.57	106.03	(+) 32.46
2002-2003	84.34	120.96	(+) 36.62
<b>Total:</b>	<b>382.56</b>	<b>479.43</b>	<b>(+) 96.87</b>
<b>Capital Section</b>			
1998-1999	14.83	14.18	(-) 0.65
1999-2000	17.71	17.32	(-) 0.39
2000-2001	26.04	26.39	(+) 0.35
2001-2002	32.45	32.04	(-) 0.41
2002-2003	36.58	18.72	(-) 17.86
<b>Total:</b>	<b>127.61</b>	<b>108.65</b>	<b>(-) 18.96</b>

The Director attributed (March 2003) excess expenditure during 1998-2003 under revenue section mainly to payment of arrears of revised pay scales and

1 Chamba, Kangra, Kullu, Mandi and Sirmour.

2 Banikhet, Dehra, Palampur and Sarkaghat.

3 Palampur and Sundernagar.

4 (i) Demand No. 11-Agriculture (ii) Demand No. 13-Soil and Water Conservation (iii) Demand No. 15-Planning and Backward Area Sub-Plan (iv) Demand No. 19-Social Security and Welfare and (v) Demand No. 31-Tribal Development under 11 major heads of account, namely 2401-Crop Husbandry; 2402-Soil and Water Conservation; 2415-Agriculture Research and Education; 2810-Non-Conventional Sources of Energy; 4401-Capital Outlay on Crop Husbandry; 4402-Capital Outlay on Soil and Water Conservation; 4425-Capital Outlay on Cooperation; 6401: Loan for Crop Husbandry; 6402-Loans for Soil and Water Conservation; 3435-Other Agriculture Programmes and 2235-Social Security and Welfare.

dearness allowance, execution of more works under Rural Infrastructure Development Fund (RIDF) and soil conservation. The reply was not tenable as all these items of expenditure were foreseeable and provision could have been made in the budget.

The following points were noticed:

**3.1.6** During 1998-2002 budget provision of Rs 22.49 crore was made by the Director for vacant posts<sup>5</sup> which was contrary to the provisions of Budget Manual as no provisions against vacant posts were to be demanded.

**3.1.7** Rupees 51.08 lakh, shown as spent on three schemes<sup>6</sup> during 1998-2000, were diverted for meeting expenditure of other schemes/activities.

**3.1.8** The estimates in respect of seven schemes were not prepared on realistic basis during 1998-2002 which resulted in excess expenditure of Rs 5.91 crore under three schemes and savings of Rs 6.14 crore under four.

**3.1.9** In six cases, budget allotments of Rs 14.98 crore were made for the years 1998-2001 which were sufficient to meet the expenditure of relevant schemes. The department, however, resorted to unnecessary augmentation by re-appropriating Rs 51.06 lakh in these years, which ultimately resulted in savings of Rs 1.60 crore as expenditure incurred was Rs 13.89 crore only.

**3.1.10** The Finance Department provided Rs one crore to the Director by way of re-appropriation on 31 March 1999 to meet the increased demand of seeds during 1998-99. The funds, however, remained unutilised and were surrendered. No cogent reasons were offered by the department for non-utilisation of funds.

**3.1.11** Test-check of records revealed that Rs 45 lakh pertaining to three<sup>7</sup> schemes (Rs 15 lakh each) were not utilised by the department due to non-implementation of schemes. The budgeted funds were ultimately surrendered/lapsed at the close of the financial year 2001-2002.

Thus the beneficiaries of these schemes were deprived of the intended benefits.

### ***Control over expenditure***

#### ***Drawal of funds in advance of requirements***

**3.1.12** Test-check of accounts of six<sup>8</sup> DDOs revealed that Rs 81.03 lakh were drawn between March 1997 and March 2002 for execution of various works.

---

5 1998-99: Rs 1.28 crore for 800 posts; 1999-2000: Rs 3.09 crore for 734 posts; 2000-01: Rs 9.44 crore for 876 posts and 2001-02: Rs 8.68 crore for 953 posts.

6 (i) Hybrid seed farms (ii) Setting up of State biogas laboratory and (iii) Bench mark assessment survey.

7 (i) Demand No. 11: 2401-Crop. Husbandry 103-Seeds-01-Distribution of seeds; (ii) Demand No. 15: 2401-Crop. Husbandry 103-Seeds 07-Special Food Production (Wheat) and (iii) 2401-Crop. Husbandry 103-Seeds 09-Accelerated Maize Development Programme 2001-2002

8 DDA Kullu: Rs 0.72 lakh; DDA Mandi: Rs 18.56 lakh; SDSCO Sarkaghat: Rs 13.53 lakh; AE Bhangrotu: Rs 0.68 lakh; DA Shimla: Rs 23.68 lakh; DDA Kangra: Rs 23.86 lakh.

Of this, Rs 68.49 lakh<sup>9</sup> remained unutilised either with the executing agencies or as deposits in the banks, etc., as of March 2003. Such drawal of funds in advance of requirements resulted in blocking of Government funds and their unauthorised retention outside Government account.

Similarly, two<sup>10</sup> DDAs drew Rs 23.30 lakh in March 2002 as subsidy on inputs such as improved seed, plant protection material and agriculture implements and charged the expenditure to final head of account. The subsidy was shown distributed to farmers without actual sale of inputs to avoid lapse of budget. However, the inputs were not purchased and distributed to the farmers. DDA, Kullu stated (February 2003) that the subsidy was drawn to avoid lapse of budget grants under the schemes. Reasons for drawal of advance subsidy called for (January 2003) from DDA, Mandi had not been intimated (July 2003). Thus the benefit of subsidy was not passed on to the eligible beneficiaries.

### ***Delay in preparation of budget estimates***

**3.1.13** According to the Budget Manual, budget estimates were to be sent by the Head of the Department to the Finance Department by 25 October. It was noticed that the budget estimates for Plan schemes were sent to the Finance Department after delays of three to four months during 1998-2003. Similarly, the statement of excesses and surrenders and final statement of excesses and surrenders for both Plan and non-Plan schemes were to be sent to the Finance Department by 1<sup>st</sup> December and 15 January each year. It was observed that these were delayed between two to three months during the same period.

**3.1.14** Savings in a grant or appropriation are to be surrendered to the Government immediately after these are foreseen without waiting till the end of the year.

It was, however, noticed that because of delay, savings of Rs 23.22 lakh surrendered by the Director for 1999-2000 were not accepted by the Finance Department. The budgetary control of the Director was not effective.

## ***Human Resource Management***

### ***Sanctioned strength and men in position***

**3.1.15** Against 3,465 sanctioned posts of 136 different categories of staff as on March 2003, the department had 2,507 (72 per cent) men in position. The vacant posts (958) included class-I (120), Class-II (4), Class-III (778), Class-IV and others (56). Reasons for non-filling up of these posts were not intimated.

9 DDA Kullu; Rs 0.72 lakh; DDA Mandi; Rs 18.56 lakh; SDSCO Sarkaghat; Rs 0.99 lakh; AE Bhangrotu; Rs 0.68 lakh; DA Shimla; Rs 23.68 lakh; DDA Kangra; Rs 23.86 lakh.

10 Kullu; Rs 2.08 lakh and Mandi; Rs 21.22 lakh.

### **Deployment of staff in excess of sanctioned strength**

**3.1.16** Test-check revealed that pay and allowances of Rs 15.83 lakh were paid by DDAs Mandi: (Rs 1.40 lakh); Kullu: (Rs 7.39 lakh) and Sirmour: (Rs 7.04 lakh) to staff deployed in excess of the sanctioned strength during 1998-2003 as given below:

**Table: 3.2**

(Rupees in lakh)

Sr. No.	Name of Office	Category of post	Sanctioned strength	Men-in-position	Period	Pay and allowances paid
1.	DDA, Mandi	Biogas Supervisor	12	13	April 1998 to June 1999	1.40
2.	DDA, Kullu	<i>Beldars</i>	17	18 to 21	1998-2003	7.00
3.	DDA, Kullu	<i>Jamadars</i>	01	02	30 July 2002 to February 2003	0.39
4.	DDA, Sirmour	<i>Beldars</i>	08	09 to 12	1998-2003	7.04

### **Avoidable/wasteful/unauthorised expenditure on pay and allowances**

**3.1.17** Three posts of Agriculture Extension Officers (AEOs) and three posts of *beldars* had not been surrendered due to closure/transfer of Potato Development Stations (PDSs) Trimmunda (September 2001), in Mandi district, Hamta (November 2001) in Kullu district and vegetable farm, Bogot (February 1996) in Chamba district resulting in avoidable expenditure of Rs 7.02 lakh on their pay and allowances till March 2003.

**3.1.18** Four *roughers*\* to be posted in PDSs had been posted in Directorate, DAO, Kinnaur, SDSCOs, Rampur and Rohru where no PDSs existed. This resulted in wasteful expenditure of Rs 12 lakh on their pay and allowances during 1998-2003.

**3.1.19** One Senior Accountant Grade-I, one Senior Assistant and one Junior Assistant were working in the office of the Assistant Agriculture Engineer (AAE), Bhangrotu since April 1997 although no such posts were sanctioned for this office. This resulted in unauthorised drawal of pay and allowances of Rs 7.42 lakh during 1998-2003 due to posting of incumbents of higher grade.

### **Non-implementation of transfer policy**

**3.1.20** The Government issued (July 1998) instructions that all vacant posts in the tribal areas must be filled up by transfer of employees to those areas as a special drive with the approval of the Chief Minister. No transfer orders of employees to tribal area were to be cancelled.

Test-check revealed that 21 to 34 posts in different categories remained vacant during 1998-2002 (1998: 30; 1999: 28; 2000: 34 and 2002: 21) in the tribal areas.

\* Laborers employed by the department for removing weeds, etc., from potato fields.

It was also noticed that of the transfer of 109 employees ordered during April 1998 to November 2002, transfer orders of 36 employees were modified and of 49 employees were cancelled subsequently. Director stated (December 2002) that this was done on administrative grounds. The reply was not tenable as Government instructions had not been followed.

### **Programme implementation**

#### **Foodgrain production**

**3.1.21** The position of targets and achievements of area covered under crops and foodgrain production for the period from 1998 to 2003 was as under:

**Table: 3.3**

(Area in lakh hectares: Production in lakh tonnes)

Year	Area covered			Production		
	Target	Achievements	Shortfall	Target	Achievements	Shortfall
1998-99	8.51	8.37	0.14	16.00	13.13	2.87
1999-2000	8.50	8.22	0.28	17.02	14.46	2.56
2000-2001	8.48	8.14	0.34	17.47	11.12	6.35
2001-2002	8.43	8.17	0.26	17.60	15.99	1.61
2002-2003*	8.39	8.51	--	17.76	14.16	3.60

\* Provisional figures.

There was shortfall in foodgrains production during 1998-2003. Foodgrains production declined from 14.46 lakh tonnes in 1999-2000 to 11.12 lakh tonnes during 2000-2001 and went up again to 15.99 lakh tonnes in 2001-2002. The Director stated (March 2003) that shortfall in foodgrains production was due to inadequate rainfall during both the cropping seasons as 80 per cent of area was rainfed. The reply is not tenable as factors like rainfed area had been taken into consideration before fixing the targets.

**3.1.22** It was further noticed that the department had taken no initiative for long term promotion technologies like organic and precision farming and diversification in agriculture to reduce the quantum of chemical fertilizers consumed and thus reducing the burden of the fertilizer subsidy.

The Director stated (March 2003) that organic farming is being popularised through introduction of bio-fertilizers and vermi compost, and steps had been taken for diversification of crops in the State. The reply is not tenable as no records were produced for audit verification. Thus, the objective of transmitting the latest know how through extension net work had not been achieved.

#### **Implementation of Centrally sponsored schemes**

**3.1.23** The position of financial targets and achievements under three

Centrally sponsored schemes (CSS) during 1998-2003 was as under:

**Table: 3.4**

(Rupees in lakh)

Year	Targets	Achievements	Shortfall	Percentage of shortfall
<b>1. National Pulses Development Project (NPDP)</b>				
1998-99	20.00	8.59	11.41	57
1999-2000	20.00	0.32	19.68	98
2000-2001	11.30	1.59	9.71	86
2001-2002	6.97	4.77	2.20	32
2002-2003	14.40	9.47	4.93	34
<b>2. Oilseeds Production Programme (OPP)</b>				
1998-99	53.30	33.42	19.88	37
1999-2000	53.30	22.37	30.93	58
2000-2001	40.00	19.51	20.49	51
2001-2002	40.00	27.28	12.72	32
2002-2003	26.60	20.89	5.71	21
<b>3. Accelerated Maize Development Programme (AMDP)</b>				
1998-99	44.70	20.65	24.05	54
1999-2000	34.55	23.31	11.24	33
2000-2001	61.36	42.53	18.83	31
2001-2002	68.42	57.17	11.25	16
2002-2003	53.61	46.50	7.11	13

The following points were noticed:

**3.1.24** The percentage of shortfall in achievement of financial targets during 1998-03 ranged between 13 to 98 (NPDP: 32 to 98; OPP: 21 to 58 and AMDP: 13 to 54).

**3.1.25** The percentage of shortfall in physical achievements under the above schemes during 1998-2003 ranged between 5 to 99. (NPDP 16 to 99; OPP: 20 to 95 and AMDP: 5 to 89) as detailed in **Appendix-X**.

**3.1.26** The Director could not utilise the full component of funds provided by Government of India for implementation of CSSs in the State and there were unspent balances of Rs 71.71 lakh (NPDP: Rs 25.85 lakh; OPP: Rs 4.28 lakh and AMPD: Rs 41.58 lakh) under above schemes during 1998-2003.

Director stated (April 2003) that most of the components under CSSs were not useful in the State. The contention of the Director was not tenable as a



proposal to change components of CSSs which were suitable to the State should have been taken up with the Government of India.

### **Soil testing programme**

#### **Non-achievement of targets**

**3.1.27** To maintain the fertility of the soil, it is necessary to test it so as to increase production. The position of targets and achievements for analysis of soil samples during 1998-2003 were as under:

**Table: 3.5**

(In numbers)				
Year	Targets	Achievements	Shortfall	Percentage
1998-99	70,000	55,475	14,525	21
1999-2000	70,000	61,019	8,981	13
2000-2001	70,000	57,831	12,169	17
2001-2002	1,00,000	71,733	28,267	28
2002-2003	1,00,000	79,787	20,213	20

The percentage shortfall in achievement of targets during 1998-2003 ranged between 13 and 28. Reasons for shortfall in achievements called for had not been intimated (July 2003). Evidently the Director failed to implement the programme effectively. Thus the farmers were deprived of the facility of soil testing to obtain better yields.

#### **Non-utilisation of Mobile Soil Testing Laboratory**

**3.1.28** In order to provide soil testing facilities to the farmers of Lahaul and Spiti district, a Mobile Soil Testing Laboratory (MSTL) containing lab facilities fitted in a mini bus valued at Rs 14.16 lakh was purchased/fabricated by the Director and supplied (October 2000) to the DAO, Lahaul and Spiti.

Test-check of records revealed that the MSTL was lying idle since its receipt (October 2000) as no soil testing had been done as of March 2003. The soil testings were got conducted at soil testing lab at Kullu and Reckong Peo for the samples pertaining to Lahaul and Spiti district.

The Director stated (March 2003) that no new posts had been sanctioned by the Government and the existing staff who were imparted training for the purpose managed to get themselves transferred to other places. The reply is not acceptable as the predominately tribal beneficiaries of Lahaul and Spiti had been deprived of the intended benefits besides blocking of funds.

#### **Unfruitful expenditure on soil survey offices**

**3.1.29** Soil surveys and mapping help in understanding of different soils as regards their genesis, development, classification, nomenclature and in making predictions about the behaviour of different soils for agriculture.

Test-check revealed that reconnaissance and land use soil survey of micro watersheds of 2.90 lakh hectares had been conducted by two Assistant Soil Survey Officers (ASSOs), Palampur and Sundernagar during 1998-2003. During 1998-2003, Rs 2.32 crore had been incurred on running these offices.

The soil surveys conducted by these offices during 1998-2003 were not used for planning soil resources while preparing the agriculture production programme for the State for *Kharif* and *Rabi* crops during 1998-2003. The cropping pattern in areas surveyed had also remained unchanged.

The ASSO, Sundernagar stated (March 2003) that reconnaissance survey helped in macro-level planning and change of cropping pattern was a time consuming process. The reply is not tenable as the major activity of the department was extension of its programmes and motivation of farmers for adoption of latest technologies in agriculture. The ASSO Palampur, however, had not intimated any reasons (May 2003).

Thus, the expenditure of Rs 2.32 crore incurred on the reconnaissance and watersheds soil surveys of 2.90 lakh hectares during 1998-2003 had remained largely unfruitful.

### ***Watershed development***

#### ***Defective implementation of National Watershed Development Projects for Rain-fed Areas (NWDPRAs)***

**3.1.30** The Centrally sponsored scheme of NWDPRAs envisaged carrying out of activities of conservation, upgradation and utilisation of natural endowments like land, water, plant, animal and human resources in a harmonious and integrated manner. The scheme had been launched in the State during 1990-91 with the objectives of developing the natural resource base and improving the standard of living of poor farmers and labourers.

Test-check revealed that 61 projects were sanctioned at an approved outlay of Rs 21.69 crore for treatment of 45,899 hectares. These were taken up for execution during 1997-2002. The position of funds received from the Government of India and expenditure incurred thereagainst was as under:

**Table: 3.6**

**(Rupees in lakh)**

Sr. No.	Year	Opening balance	Funds received	Total funds	Expenditure	Balance
1.	1997-98	(-) 18.18	180.00	161.82	48.98	112.84
2.	1998-99	112.84	175.00	287.84	194.25	93.59
3.	1999-2000	93.59	200.00	293.59	295.79	(-) 2.20
4.	2000-01	(-) 2.20	300.00	297.80	299.71	(-) 1.91
5.	2001-02	(-) 1.91	232.99	231.08	232.99	(-) 1.91
<b>Total:</b>			<b>1087.99</b>		<b>1071.72</b>	

Source: Departmental figures.

Of the total area of 45,899 hectares to be treated under these projects during 1997-2002 only 21,629 hectares area was treated during IX Plan and the balance 24,270 hectares was left untreated as these projects were closed. Against the approved outlay of Rs 21.69 crore, expenditure of Rs 10.72 crore was incurred during 1997-2002 and the balance amount of Rs 10.97 crore was not released by Government of India due to poor physical performance of the projects.

### ***Non-setting up of polyclinics***

**3.1.31** The Director approved (June 2001), for disease and pest diagnosis, the setting up of two polyclinics under macro-management under Agriculture Department at Mandi and Palampur for Rs 12 lakh. The DDAs, Kangra and Mandi drew the amount of Rs 12 lakh in March 2001 in anticipation of administrative approval. The DDA, Kangra had purchased equipments of Rs 2.38 lakh and the balance amount of Rs 3.62 lakh was lying unutilised in the bank as of February 2003. Rupees six lakh drawn by DDA, Mandi were also lying unutilised as of January 2003 and the polyclinic had not been set up as of March 2003. The DDA, Kangra stated (February 2003) that the amount was drawn in March 2001, to avoid the lapse of budget grant. DDA, Mandi stated (February 2003) that purchasing the item was a lengthy affair. The replies were not tenable as the DDAs failed to set up these polyclinics and thus, deprived the beneficiaries of the intended benefits.

### ***Extension and farmers training***

**3.1.32** This programme envisages percolation of agriculture related knowledge inputs to the farmers by establishing better linkages between the extension functionaries, scientists and farmers. It was noticed that during 1998-2003:

**3.1.33** As envisaged in the scheme, block-wise/circle-wise agriculture production programmes were not prepared by the Subject Matter Specialists (SMS) and Agriculture Development Officer (ADO).

**3.1.34** The SMSs/ADOs had not conducted tours during the campaign periods for inspection of field problems such as diseases, insect and pest attacks, etc.

**3.1.35** No meetings of district level irrigation committees were organised to sort out and remove bottlenecks and to utilise the available irrigation potential.

### ***Research and introduction of new varieties***

**3.1.36** The activities relating to research in agriculture and evolution of new varieties of seeds have been entrusted to the Himachal Pradesh *Krishi Vishva Vidyalyaya* (HPKVV) since 1970-71. Grants aggregating Rs 81.57 crore had been released by the Director to the HPKVV during 1998-2003 for research work. Of the twelve varieties of seeds released by HPKVV during 1999-2001, seeds of five varieties were made available to the farmers. However, no follow up on these varieties was ensured by the department. Seeds of the remaining seven varieties had not been distributed to the farmers as of July 2003. Thus the results of research work were not extended fully to the farmers. The expenditure of Rs 81.57 crore on research work had remained largely unfruitful.

**3.1.37** To popularise latest varieties of seeds amongst the farmers, 7156 trial demonstrations were conducted in three districts in the farmers' fields during 1998-2003 at an expenditure of Rs 64.44 lakh. It was, however, noticed that results of these trial demonstrations were not monitored either by the Director or by the DDAs. The Director stated (July 2003) that the results may be collected from the University. The contention was not tenable as the trials

were organised by the Agriculture Department. Due to non-monitoring of results of these demonstrations the expenditure of Rs 64.44 lakh had been rendered wasteful.

### ***Material management and inventory control***

#### ***Doubtful issue of seeds***

**3.1.38** Test-check revealed that seeds valued at Rs 25.11 lakh were issued from the central stores of DDA, Mandi to ADO (minikit), Mandi (Rs 4.76 lakh) and DDA, Chamba to ADO, Pangri (Rs 20.35 lakh) for distribution to the farmers under various schemes. Neither records in this regard were available with the concerned ADOs nor were accounts of seed subsequently distributed to the farmers maintained by them.

#### ***Suspected misappropriation of Government receipts***

**3.1.39** Financial rules provide that a Government servant, who is not in charge of a cash book, receiving money on behalf of Government, should pay or remit it, at the earliest opportunity to the nearest Government servant having a cash book or direct to a treasury.

Annual accounts of agriculture inputs like seeds, implements, fertilizers and plant protection material for the year 2001-2002 revealed that of the sale proceeds of Rs 4.67 crore realised by the ADOs/AEOs from the farmers on account of sale of seeds, implements, fertilizers and plant protection material upto 31 March 2002, a sum of Rs 1.04 crore only had been deposited upto 31 October 2002 and the balance amount of Rs 3.63 crore was not deposited into Government account as of March 2003. Misappropriation of Government money in these cases can not be ruled out. The DDAs stated (December-March 2003) that efforts were being made to recover the amount. However, reasons for not initiating disciplinary action against the concerned officers/officials for non-recovery of the amount were not intimated (July 2003) by the Director.

#### ***Used spare parts of vehicles not auctioned***

**3.1.40** Rules provide that used parts of vehicles including tyres and tubes should be retained by the department and a proper account should be maintained for their disposal. The sale proceeds on this account should be credited to the appropriate receipt head of account of the department.

It was noticed in audit that Rs 13.07 lakh were spent by five units on repair and maintenance of vehicles during 1997-2003 (DDA, Kullu: Rs 2.24 lakh; DDA, Mandi: Rs 9.32 lakh; SDSCO, Sarkaghat: Rs 0.53 lakh; DE, Bhangrotu: Rs 0.21 lakh and Director: Rs 0.77 lakh). No register for the accountal of used parts including tyres and tubes was maintained. Auction of the used parts had also not been conducted by the DDOs as of April 2003. The DDOs stated (January-April 2003) that the matter was under process for doing the needful. However, no such records were produced for audit verification.

### **Other points of interest**

#### **Idle investment on staff quarters**

**3.1.41** Financial-Commissioner (Development)-cum-Agriculture Production Commissioner approved the construction of staff quarters of various categories at different places in the State under World Bank aided Training and Extension Project for Rs 6.93 crore in September 1988 (Rs 3.82 crore) and July 1993 (Rs 3.11 crore) respectively. These quarters were constructed between 1988-1996.

Test-check of records of DDAs, Mandi and Sirmour revealed that 9 quarters (Mandi: 5 and Sirmour: 4) constructed between December 1992 and January 1996 at a cost of Rs 22.99 lakh were lying vacant as no staff had been posted at the places where these quarters were constructed. DDA, Mandi stated (January 2003) that efforts were being made to allot the quarters whereas DDA, Sirmour stated (March 2003) that the quarters remained vacant due to non-filling up of posts. The replies are indicative of the fact that the quarters were constructed without properly assessing the manner of utilisation of the quarters on a long term basis.

The investment of Rs 22.99 lakh on the construction of staff quarters has, thus, remained idle.

#### **Non-establishment of Research-cum-Demonstration Centre for soil conservation**

**3.1.42** Test-check of records of Director revealed that budget allotment of Rs 57.89 lakh had been made for the scheme "Establishment of Research-cum-Demonstration Centre for Soil Conservation" during 1998-2002. Against this, an expenditure of Rs 56.66 lakh had been shown incurred on this scheme but the Centre had not been established as of May 2003. The Director stated (May 2003) that the entire budget sanctioned under the scheme had been utilised for payment of pay and allowances of the staff<sup>11</sup> sanctioned under the scheme. The services of the staff had been utilised for execution of soil conservation schemes. The reply was not tenable as the Research-cum-Demonstration Centre should have been established as envisaged and the diversion of funds for execution of soil conservation schemes was not a legitimate charge on the scheme. Thus Rs 56.66 lakh had been diverted by the Director to schemes for which it was not sanctioned, thus, depriving the farmers of the intended benefits of Research-cum-Demonstration Centre.

#### **Higher costs of running of mechanical workshops**

**3.1.43** Test-check revealed that an expenditure of Rs 1.84 crore had been incurred on the pay and allowances of 9 categories of staff like Assistant Automobile Engineer (2), Junior Engineers (2), Mechanics (6) and others (20) during 1998-2003 of mechanical workshops under DDAs, Mandi and Palampur. As against this, repairs of departmental vehicles amounting to Rs 11.76 lakh only had been carried out during 1998-2003. Besides, repairs of departmental vehicles aggregating Rs 7.98 lakh were got done from private

<sup>11</sup> ADOs: 2; Clerks: 2 and *Beldars*: 7.

workshops during this period. As such, expenditure incurred on pay and allowances of staff deployed in the workshops was not justified.

### ***Wasteful expenditure due to abandoning of tubewell***

**3.1.44** To irrigate culturable command area (CCA) of 35 hectares, the construction of a tubewell at Lakhanpur (Solan district) was approved by Director in May 2002 at an estimated cost of Rs 22.82 lakh.

The work was taken up by the SDSCO, Nalagarh in March 2002 without getting the site for the tubewell surveyed/selected from the Hydrogeologist. The work was abandoned due to less discharge of water and silt after incurring an expenditure of Rs 11.30 lakh upto August 2002. The Divisional Engineer (Soil Conservation), Shimla stated (March 2003) that efforts were being made to obtain suggestion of the Hydrogeologist of Central Ground Water Board. The reply was not tenable as opinion of the Hydrogeologist should have been obtained before taking up the execution. Thus, expenditure of Rs 11.30 lakh proved wasteful due to selection of the site of the tubewell without proper survey.

### ***Monitoring and evaluation***

#### ***Monitoring***

**3.1.45** No proper system for monitoring and implementation of various schemes had been devised by the department. Test-check revealed that no norms of supervision of extension staff in the field had been prescribed for Director, Additional Directors, Joint Directors, Deputy Directors, SMSs and ADOs. In respect of the completed schemes, the cost benefit ratio of their utility had not been ascertained by any of the DDAs, SDSCOs test-checked so as to assess their financial viability. The Director stated (March 2003) that monitoring was done through monthly progress reports. The reply was not tenable as neither records regarding critical analysis of shortfall in achievements of targets and follow up action taken thereon nor any guidelines issued were produced for audit verification.

#### ***Evaluation***

**3.1.46** Evaluation was essential to ascertain proper execution and functioning of the schemes. Various programmes and schemes of the department had been in operation in the State for well over five decades but no mid-term appraisal or assessment/evaluation had been carried out by the department to identify the shortfalls and impediments afflicting the programmes/schemes so that corrective action could be taken accordingly.

These points were referred to the Government in June 2003; their reply had not been received (August 2003).

---



---

**Horticulture Department**
**3.2 Horticulture Development**
**Highlights**

*Horticulture development aimed at raising pedigreed varieties of fruit plants by establishing progeny-cum-demonstration orchards and nurseries, supplemented by a scheme of plant protection to control pests and diseases. The achievement of targets for pedigreed varieties for 1998-2003 fell short by 16 to 31 per cent. The scheme of top working (grafting) was not supervised. Spraying operations were conducted without identifying requirements of pests and diseases. Some significant audit findings were as under:*

**\*\* Instructions of December 1997 for bringing improvement in management of nurseries and progeny-cum-demonstration orchards to make these economically viable were not followed. Against an expenditure of Rs 14.92 crore during 1998-2002 income of Rs 7.65 crore was received resulting in loss of Rs 7.27 crore.**

**(Paragraph 3.2.9)**

**\*\* The department had not laid down norms for germination of seeds and for successful grafting of plants in the nurseries in the absence of which there were wide variations in germination/survival of plants from nursery to nursery.**

**(Paragraph 3.2.12)**

**\*\* Spraying operations under plant protection and apple scab were in excess of the targets. The department had not conducted any survey for identification of pests, diseases, etc. The area claimed to have been sprayed was estimated on the basis of quantity of pesticides sold.**

**(Paragraph 3.2.20)**

**\*\* An amount of Rs 0.91 crore, being beneficiaries' share as of March 2003 on account of sale of pesticides/fungicides, was not recovered by the department.**

**(Paragraph 3.2.23)**

**\*\* While products valued at Rs 3.29 crore were processed by the test-checked fruit canning units, sales amounted to Rs 3.22 crore against the expenditure of Rs 7.20 crore during 1998-2003. Though the fruit preservation and processing scheme has been treated as developmental, only 2.38 per cent expenditure was incurred on developmental/extension activities.**

**(Paragraph 3.2.27)**

**\*\* Under “Production of fruit products” the shortfall in achievement of target ranged between 18 and 52 per cent during 1998-2003. Capacity utilisation of the 5 units test-checked was between 12 and 67 per cent during 1998-2003.**

**(Paragraphs 3.2.26 and 3.2.28)**

### ***Introduction***

**3.2.1** Horticulture development in the State was introduced in 1957-58 in Agriculture department with the objective of raising pedigreed varieties of fruit plants by establishing progeny-cum-demonstration orchards and nurseries for distribution to horticulturists, and convincing them to undertake fruit plantation and production on a large scale. The department had also started during 1959-60 fruit canning units for preservation and processing of fruits, which were of small size, bruised or irregular in shape and which did not fetch a good price in the market. The activities of horticulture development were taken over by the Horticulture Department in September 1970. A plant protection programme was also being implemented by Horticulture Department from 1971-72 with the objective of increasing horticulture production through control of pests and diseases. The area under horticulture in the State was 2,07,684 hectares in 1998-99 which increased to 2,31,240 hectares as of March 2003.

### ***Organisational set up***

**3.2.2** The overall implementation of the scheme vested in the Principal Secretary (Horticulture) who was assisted by the Director of Horticulture (Director) at the State level and by Deputy Directors of Horticulture (DDH) and District Horticulture Officers (DHOs) and Subject Matter Specialists (SMSs) at the district level. Fruit Canning Units (FCUs) were being looked after by the Fruit Technologists (FTs)/Manager-cum-Chemists and mushroom development projects were run by the respective Project Coordinators.

### ***Audit coverage***

**3.2.3** The main schemes<sup>1</sup> of horticulture development were reviewed for the period 1998-2003 during January-May 2003 in the offices of the Director, five out of 12 DHOs<sup>2</sup>, one out of three Project Coordinators (Mushroom Project), Palampur, five out of nine FCUs,<sup>3</sup> and Subject Matter Specialist, Rajgarh (Sirmour district). Fifty one *per cent* expenditure incurred on the schemes during 1998-2003 was test-checked. The results of review are incorporated in the succeeding paragraphs:

### ***Financial outlay and expenditure***

**3.2.4** Year-wise details of budget provisions and expenditure on these

1 Establishment of Government Orchards and Nurseries, Plant Protection, Fruit Canning and Processing and Mushroom Development

2 Kangra at Dharamsala, Kullu, Mandi, Shimla, and Sirmour

3 Dhaulakuan, Nagrota Bagwan, Nihal ( Bilaspur), Rajgarh and Shamshi.



schemes during 1998-2003 were as under:

Table: 3.7

(Rupees in lakh)

Year	Establishment of orchards/nurseries			Plant Protection			Fruit Canning		
	Budget	Expenditure	Variation	Budget	Expenditure	Variation	Budget	Expenditure	Variation
1998-99	203.24	203.24	--	246.31	228.15	(-) 18.16	164.59	170.61	(+) 6.02
1999-2000	202.10	202.10	--	288.69	204.52	(-) 84.17	260.99	213.37	(-) 47.62
2000-2001	304.24	304.24	--	227.20	259.45	(+) 32.25	221.50	200.53	(-) 20.97
2001-2002	261.55	261.55	--	211.50	210.00	(-) 1.50	185.63	200.74	(+) 15.11
2002-2003	281.02	281.02	--	258.20	253.00	(-) 5.20	197.72	197.70	(-) 0.02

Source: Departmental figures

The Director attributed (April 2003) the excess expenditure to purchase of more horticulture inputs and fruits for canning units and savings to less purchase of inputs, pesticides and procurement of fruits for processing during the respective years.

It was observed that excess expenditure on plant protection was 14 per cent during 2000-2001 and between 4 and 8 per cent on FCUs during 1998-99 and 2001-2002. Director stated (March 2003) that funds were diverted from schemes having savings under other heads of account.

### **Establishment of Government orchards and nurseries**

**3.2.5** There were 109<sup>4</sup> progeny-cum-demonstration orchards (PCDOs) and nurseries in the State as of March 2003 for supply of the latest varieties of healthy plants to the growers. The objective of establishment of PCDOs and nurseries was to raise standard plants of pedigreed varieties for distribution to horticulturists and to convince them to undertake fruit plantation/production on a large scale. These were to serve as models to horticulturists besides laying out demonstration plots, providing extension services and technical guidance and improving fruit wealth of the State by 'top working' (grafting) of wild fruit trees and converting them into superior varieties.

### **Targets and achievements**

**3.2.6** The position of targets and achievements for the period 1998-2003 in raising plants in PCDOs and nurseries in the State was as under:

Table: 3.8

(Plants in lakh)

Year	Target	Achievement	Shortfall	Percentage
1998-1999	15.00	11.37	3.63	24
1999-2000	12.00	10.04	1.96	16
2000-2001	12.00	9.78	2.22	19
2001-2002	12.00	8.47	3.53	29
2002-2003	12.00	8.30	3.70	31

4 PCDOs: 96; Nurseries: 13.

Following points were noticed:

**3.2.7** The shortfall in achievement of target ranged between 16 and 31 *per cent* during 1998-2003. The Director stated (May 2003) that the shortfall in the targets was mainly due to drought conditions, hailstorms, depletion of soil, reduction in area by planting progeny trees and emergence of insects, pests and diseases.

**3.2.8** No norms for germination of seeds, survival of seedlings, grafted plants, plants which died after successful grafting were prescribed by the department. The Director stated (April 2003) that it is very difficult to determine the germination percentage because the seeds of fruit plants have to be given special treatment. The reply is not acceptable as the norms for germination of seeds after special treatment to seeds should have been prescribed.

**3.2.9** The instructions issued (December 1997) by the Director to the DHOs prescribed that five year action plans on annual basis by the head of PCDOs and nurseries should be prepared for improving the management of these departmental units to make these economically viable. However, the instructions were not followed and the DHOs failed to take effective measures to improve the working of the PCDOs and nurseries to make them viable. It was noticed that against the expenditure of Rs 14.92 crore incurred during 1998-2003 on the running and maintenance of PCDOs and nurseries, income of Rs 7.65 crore was received. Thus, loss of Rs 7.27 crore was incurred on the running and maintenance of these orchards. The DHOs stated (January to April 2003) that losses were incurred due to adverse climatic conditions, scarcity of area under nursery, contamination due to continuous nursery production on same land, etc. The replies were not tenable as the instructions of the Director were not followed to make the PCDOs and nurseries economically viable.

Director admitted (April 2003) that better management could have minimised the mortality and ensured better success in grafting.

### **Performance of PCDOs and nurseries**

**3.2.10** PCDOs were to serve as a nucleus to multiply and supply pedigreed and disease free plants to the growers at reasonable rates. Test-check (January-April 2003) of 54 PCDOs and 6 nurseries in five districts out of 96 PCDOs and 13 nurseries was conducted. The position of targets and achievement for raising plants in the test-checked districts was as under:

**Table: 3.9**

(Plants raised in lakh)

Year	Target	Achievement	Shortfall	Percentage of shortfall
1998-1999	7.10	5.25	1.85	26
1999-2000	7.43	5.06	2.27	32
2000-2001	7.63	4.60	3.03	40
2001-2002	6.20	4.31	1.89	30
2002-2003	7.30	3.79	3.51	48

The shortfall in achievement of targets ranged between 26 and 48 *per cent*. The concerned DHOs attributed (January-April 2003) the shortfall to adverse climatic conditions, inadequate irrigation facilities, nursery area badly infected

with soil born diseases, etc. The replies are not tenable as the instructions of the Director were not followed for bringing improvement in the units. Thus the PCDOs and nurseries failed to serve as models to the orchardists.

**3.2.11** The department had established nurseries for supply of the latest varieties of healthy plants to the growers. A test-check of records of 54 PCDOs and 6 nurseries regarding germination of seeds and survival of grafted plants revealed variations in survival from one nursery to another as per details given below:

#### **Germination of seeds**

**Table: 3.10**

Sr. No.	Species	Minimum survival		Maximum survival	
		Location of nursery	Germination percentage	Location of nursery	Germination percentage
1	Apple	Timbi	30	Bajoura	90
2	Mango	Shahpur	19	Harabag	81
3	Peach	Shirumyla	26	Timbi	91
4	Apricot	Mandyarch	12	Janjahli	96
5	Walnut	Sanhari	20	Timbi	95

**3.2.12** The department had not laid down norms for germination of seeds in the departmental nurseries. There were wide variations in the level of successful germination of various species in the nurseries having similar climatic conditions over the last five years ending March 2003.

#### **Survival of grafted plants**

**Table: 3.11**

Sr. No.	Species	Minimum survival		Maximum survival	
		Location of farm	Percentage	Location of farm	Percentage
1	Apple	Pingla	41	Barda	89
2	Mango	Gummer	29	Dhaulakaun	83
3	Peach	Ritab	33	Bhangrotu	74
4	Apricot	Muethln	21	Pingla	71

**3.2.13** Survival norms of the grafted plants had also not been prescribed by the department. The survival rate of various grafted species was low and there were wide variations in the survival rate of such plants from one nursery to another during 1998-2003.

The Director admitted (April 2003) that no norms had been laid down by the department for germination of seeds, survival of seedlings and grafted plants as it was difficult to determine the germination percentage as compared to cereal crops like wheat, maize and other vegetables. He further admitted that

if management was proper, mortality could be reduced and success in germination and grafting could be increased.

### ***Distribution of pedigreed fruit plants***

**3.2.14** The main objective of the department was to raise standard plants of pedigreed varieties for distribution to horticulturists. Year-wise position of distribution of pedigreed fruit plants to the orchardists in the State was as under:

**Table: 3.12**

<b>Year</b>	<b>Plants distributed including private nurseries</b>	<b>Number of growers benefited</b>
1998-1999	2061640	53642
1999-2000	2150026	59354
2000-2001	1639232	51853
2001-2002	2323928	52606
2002-2003	1977000	63548

The following points were noticed during test-check:

**3.2.15** The department had neither carried out any study of the plants sold at their sale centres at subsidised rates nor ascertained the extent of their survival. The production of fruits obtained from pedigreed plants of the growers has also not been assessed. Thus, the department was not aware as to whether the scheme fulfilled its objective of improving the varieties and their availability to the growers as per their requirement.

**3.2.16** DHOs, Shimla, Mandi and Kullu had not maintained records of sale of fruit plants, and as such, number of growers actually benefited was not known.

### ***Top working (grafting) not monitored***

**3.2.17** Top working (grafting) aimed at converting wild and inferior fruit trees of mid hills and low hills like peaches, apricot, olives, pears and figs into superior varieties. A top worked tree was expected to start bearing fruits after 4-5 years. From 1998-2003, 3,56,998 trees were top worked in the five test-checked districts but no records of survival and fruit production were kept by the DHOs. The DHOs stated (May 2003) that evaluation of the scheme was not being done due to shortage of staff. The replies are not acceptable as the results of this horticulture development scheme should have been monitored and assessed by the department.

### ***Non-transfer/closure of PCDOs and nurseries***

**3.2.18** The Department constituted four zonal committees to review the working of PCDOs and nurseries in March 1996. The committees recommended transfer of 14 PCDOs to the *Panchayati Raj* institutions and closure of 12 nurseries from August 2001. Accordingly, the Director proposed the transfer (March 2001) to Government but approval of the Government has not been received (May 2003). Due to non-transfer/closure of nurseries, expenditure of Rs 58.21 lakh<sup>5</sup> on their maintenance from the proposed date of closure to date (March 2003) was avoidable.

**Plant protection**

**3.2.19** Plant protection scheme was launched with the objective of increasing horticulture production through control of pests, diseases, weeds, etc. It envisages distribution of pesticides and plant protection equipments at subsidised rates and dissemination of technical know how amongst the orchardists. The department was to prepare spray schedules and to organise campaigns for conducting spraying operation.

**Physical targets and achievement**

**3.2.20** The table below indicates physical targets and achievements under the main activities of the scheme.

**Table: 3.13****(In hectares)**

Year	Area covered under plant protection		Area covered under control of apple scab		Area covered under diseases in other important fruits	
	Target	Achievement	Target	Achievement	Target	Achievement
1998-1999	180000	224113 (124)	50000	83384 (166)	26000	52154 (200)
1999-2000	185000	200023 (108)	55000	70325 (128)	35000	42002 (120)
2000-2001	185000	260782 (141)	55000	88648 (161)	35000	45893 (131)
2001-2002	185000	272418 (147)	55000	90577 (165)	35000	42603 (122)
2002-2003	183000	269356 (147)	85000	119740 (141)	35000	40436 (116)

(Figures in brackets represent percentage).

Source: Departmental figures.

The following points were noticed:

**3.2.21** The percentage of higher achievement as compared to the targets under plant protection, control of apple scab and diseases in other important fruits ranged between 8 and 47; 28 and 65 and 16 and 100 respectively. It was noticed that no records of spraying were maintained by the DHOs to verify the work done in the orchards. Further, the records which could show the extent to which the area under fruits crop was infected were also not maintained by the department. The Senior Plant Protection Officer (Sr. PPO) stated (May 2003) that spraying operations were left to be done by the orchardists themselves and the area claimed to have been sprayed was also estimated on the basis of quantity of pesticides sold by the department as the sprays could not be done in the presence of departmental officers due to shortage of staff. As such, the data maintained by the department on the basis of sale of pesticides without supervising and verifying the spraying operations conducted by orchardists could not be treated as realistic. Besides, the impact of pesticides on the pests was also not ascertained.

**3.2.22** Identification of pests and diseases was necessary for proper planning and implementation of spraying operations. It was noticed that the department had not established any surveillance unit and as such had not conducted the detailed survey of the orchards' area for identification of various pests and diseases and their effect on production for the period 1998-2003. The pesticides were purchased and distributed as per availability of funds. The Sr. PPO stated (May 2003) that survey was not done due to shortage of staff. Thus, spraying operations were conducted without identifying relevance to pests and diseases.

**3.2.23** The Department drew Rs 17.64 crore between 1998-2003 (upto December 2002) for the purchase of pesticides to be sold to the beneficiaries.

Out of Rs 17.64 crore, an amount of Rs 14.81 crore has been recouped, (July 2003) and stock of pesticides worth Rs 1.92 crore was still lying with the DHOs/SMSs. Rupees 0.91 crore had not been recovered from the beneficiaries. The Sr. PPO stated (July 2003) that the details were being collected from field units. The department has thus failed to exercise effective control over the field offices.

***Distribution of pesticides without identification of beneficiaries***

**3.2.24** Pesticides at subsidised rates were required to be supplied at the sale centres to the growers having anti-scab fungicides distribution cards. To avoid misuse of subsidy, the cards were to be registered at the above centres.

Pesticides valued at Rs 7.07 lakh were, however, sold to the orchardists at subsidised rates by the officials of sale centres of DHO, Kangra (Rs 5.48 lakh) and SMS, Rajgarh (Rs 1.59 lakh) without having verified the distribution cards during 1998-2003.

The DHO, Kangra stated (March 2003) that orchardists generally came to collect the pesticides without cards. SMS, Rajgarh stated that due to rush of work, the officials at their own level sold the pesticides. Evidently, the officials at the sale centres failed to ensure sale of fungicides to the eligible beneficiaries and misuse of subsidy in such cases could not be ruled out.

***Fruit Canning Units***

**3.2.25** In order to cope with the ever increasing production of fruits, the Government started the food preservation and processing scheme in 1959-60. Out of the total production of fruits, 20 per cent was estimated to be of small size, bruised or irregular in shape, which could not fetch good price in the market. The stuff could be better utilised by preserving and processing into different fruit products. The scheme envisages procurement and processing of fruits, providing community canning services, training to housewives and orchardists in preparation and presentation of fruit products, providing technical advisory services to entrepreneurs and standardisation of recipes.

***Fruit preservation and processing***

**3.2.26** The table below indicates the targets and achievements of five test-checked units out of nine in the State during 1998-2003 under the main activities of this scheme.

**Table: 3.14**

Year	Production of fruit products		(In tonnes)		(In numbers)	
	Target	Achievements	Target	Achievements	Target	Achievements
1998-1999	289	235 (81)	36	35 (97)	86	5510
1999-2000	262	196 (75)	24	20 (83)	119	1742
2000-2001	252	165 (65)	30	29 (97)	161	2487
2001-2002	165	135 (82)	30	26 (87)	126	6008
2002-2003	335	162 (48)	26	26 (100)	91	1538

Figures in parenthesis denote percentages.

Following points were noticed:

Shortfall in achievement of physical targets was 18 to 52 per cent in production of fruit products while it was 3 to 17 per cent under CCS. Shortfall in achievement of targets was attributed (January-April 2003) by the Fruit

Technologists to limited publicity for sale of fruit products and non-availability of marketing infrastructure.

The replies were not tenable as the department had 11 sale centres in the test-checked districts for marketing of fruit products and for advertisement. Further the targets should have been fixed keeping in view the marketability of the fruit products.

### **Financial working of units**

**3.2.27** During 1998-2003, fruit products valued at Rs 3.29 crore were processed by the five units test-checked and the sale proceeds amounting to Rs 3.22 crore were realised. The expenditure incurred on running the units was Rs 7.20 crore as per details given below:

**Table: 3.15**

(Rupees in lakh)						
Year	1998-99	1999-2000	2000-2001	2001-2002	2002-2003	Total
Total expenditure	154.43	149.13	146.43	139.89	129.93	719.81
Value of finished goods	72.76	68.82	67.45	58.23	61.91	329.17
Sale proceeds	74.98	68.49	51.80	58.54	68.27	322.08

Regarding higher cost of Rs 7.20 crore on running of these units the department maintained (January-March 2003) that the activities of fruit canning units were declared (March 1977) as developmental as these also included extension activities. The contention of the department was not acceptable as the expenditure on running the units should have been commensurate with the value of finished products and sale proceeds. It was, further noticed that during 1998-2003, 17,285 persons were trained under the scheme and 136 tonnes of fruits were processed under the community canning services at an expenditure of Rs 17.16 lakh which worked out to merely 2.38 per cent of the total expenditure of Rs 719.87 lakh. This was indicative of less utilisation of financial resources for extension purposes.

### **Underutilisation of installed capacity of fruit canning units**

**3.2.28** The table below indicates the installed capacity of the units test-checked and their utilisation during the year 1998-2003.

**Table: 3.16**

(In kilograms)				
Sr. No.	Unit	Capacity per day	Average utilisation per day 1998 to 2003	Percentage of utilisation
1	Dhaulakuan	500	154	31
2	Bilaspur	500	62	12
3	Nagrota Bagwan	500	333	67
4	Shamshi	500	133	27
5	Rajgarh	500	223	44

The following points were noticed:

The percentage of shortfall in utilisation of installed capacity per day was between 33 and 88 during 1998-2003.

The Fruit Technologists/Manager-cum-Chemists attributed (January-March 2003) the underutilisation to limited fruit season and lack of marketing



infrastructure. The reply was not tenable as the department had its own sale centres for marketing the fruit products. Further, advertisement of the fruit products should have been made for promotion of their sales.

### ***Quality control and standardisation of products***

**3.2.29** Under the fruit technology section, quality control and product standardisation is sought to be achieved through a laboratory established at Novbahar. The laboratory was to develop new fruit products and test samples of products manufactured in the units.

Although it was decided (November 1985) that the recipes would be standardised within the next six months this had not been done as of March 2003. Fruit Technologist, Shimla stated (April 2003) that the difference in the taste of products was due to use of different varieties of fruits in different areas. The reply was not tenable as manufacturing of the products should have been done only after standardising recipes.

### ***Unfruitful expenditure due to delay in completion of bulk mushroom development pasteurization unit***

**3.2.30** To increase production of mushroom on a large scale, a mushroom cultivation project at Dharbaga (Kangra district) was approved in 1995-96 for supplying pasteurised compost to small/marginal farmers at subsidised rates.

The project (involving the construction of a building with a type V quarter) was approved (January 1996) by the Government for Rs 39.58 lakh which was revised (March 2003) to Rs 41.65 lakh. The construction of building was entrusted (July 1995) to the Executive Engineer, Public Works Department, Baijnath and Rs 42.96 lakh were released between July 1995 and August 1999. The building which was to be completed in two years was completed in November 2002. The building was not taken over by the Project Coordinator, Palampur due to non-installation of water supply, sanitary and electrical installation. Thus, the department could not get the project completed within the stipulated period. The expenditure of Rs 84.95 lakh incurred on building (Rs 42.96 lakh), insulation and electrical, water supply and sanitary installation (Rs 17.36 lakh) and procurement of machinery (Rs 24.63 lakh) had so far remained unfruitful and deprived the beneficiaries of the intended benefits.

The Project Coordinator stated (March 2003) that due to paucity of funds building could not be completed in time. Thus, the mushroom development project on which Rs 84.95 lakh had been spent could not be started even after a lapse of about eight years.

### ***Stores and stock***

#### ***Unsold pesticides***

**3.2.31** Financial rules require that stores should be purchased in the most economical manner and based on definite requirement. Test-check of records of three DHOs<sup>6</sup> revealed that pesticides valued at Rs 1.53 crore procured between March 2000 and March 2002 were lying unsold as of March 2003 at



the sale centres. This resulted in blocking of Government funds. Reasons for non-disposal of the pesticides were attributed by the DHOs to less demand from the orchardists and less attack of pests and diseases. The reply was not tenable as the pesticides should have been purchased as per requirement of the orchardists.

***Retention of funds outside Government account***

**3.2.32** Test-check of the accounts of Sr. PPO, Shimla revealed that Rs 1.44 crore were drawn in March 2002 for the purchase of power sprayers to be distributed to the orchardists at subsidised rates. Supply order to the firm was issued in March 2002 to supply the material direct to the field offices. The firm could not arrange the supply of the material for Rs 43.63 lakh as of March 2003. In the meantime, the rate contract of the firm had also expired in March 2003. The records further revealed that Rs 43.63 lakh remained unspent as of May 2003. The Sr. PPO stated (May 2003) that the balance quantity was being supplied by the firm shortly. The reply was not acceptable as drawal of funds in advance of requirement and keeping the money outside the Government account was in contravention of the financial rules. Besides, the objective of carrying out the spray operations in the orchards through these sprayers by power mechanism for the control of pests and disease had not been achieved.

***Non-preparation and submission of stores accounts***

**3.2.33** According to instructions issued by the Finance Department in July 1973, the departments/offices where total value of store had not fallen below Rs 5 lakh are required to prepare accounts of such stores and submit the same by the end of June every year to Audit Office.

It was noticed that store accounts of pesticides and implements had not been prepared either by the Director or DHOs during 1998-2003. The Director stated (January 2003) that no store accounts had been maintained and further stated that it would be prepared in future. The DHOs stated (January-March 2003) that no guidelines were received in this regard from the Directorate. The replies were not tenable as store accounts should have been prepared to depict the correct picture of accounts of pesticides and implements.

***Other points of interest***

***Suspected misappropriation of Government money***

**3.2.34** Contrary to financial instructions, sale proceeds of horticulture pesticides amounting to Rs 2.76 lakh realised by sale centre Rajgarh for the period 1994-1999 were not deposited either into treasury or with SMS office, Rajgarh as of March 2003. It was observed that this lapse could not be noticed earlier due to non-maintenance of store accounts.

The SMS, Rajgarh stated (March 2003) that the amount had already been realised from the beneficiaries by the incharge of sale centre, Rajgarh but not deposited into Government account and, thus, mis-appropriated by him. He further stated that action to effect the recovery was being initiated with the approval of Director.

### ***Non-setting up of a laboratory and a plant health clinic***

**3.2.35** A Biological Control Laboratory was constructed (December 2002) for the control of insects, pests and diseases of fruit crops, at a cost of Rs 68.64 lakh at Rajhana (Shimla district). Proposal for sanction of 17 posts of different categories sent in August 1999 by Sr. PPO to the Director had not been approved (March 2003). However, one *beldar*, one Peon and one *chowkidar* were posted in November 2002 in the laboratory. An expenditure of Rs 0.71 lakh had been incurred between November 2002 and March 2003 on pay and allowances. No test of fruit-leaves could be conducted as of March 2003. Equipments purchased in March 2002 at a cost of Rs 7.46 lakh were also lying unutilised (March 2003). The Sr. PPO stated (January 2003) that the Director had intimated (December 2002) that required staff would be provided as per availability. Thus the expenditure of Rs 76.81 lakh incurred on establishment of laboratory and pay and allowances of staff had remained unfruitful.

### ***Purchase of horticulture implements at higher rates***

**3.2.36** Tenders for the purchase of Swiss made Felco brand pruning secateurs, saws and their spares during the year 2001-2002 were invited in November 2001 by the Director. Four Shimla based firms quoted their rates and the firm whose rates were lowest was approved by Director in February 2002. In the meantime the Secretary (Horticulture) to the Government of Himachal Pradesh decided in March 2002 to effect the purchases of Felco secateurs and saws through Himachal Pradesh Agro Industries Corporation (HPAIC) and directed that in future also the import of these items be made through the HPAIC. The order was cancelled by the Director as HPAIC could not supply the material till October 2002. The supply orders was given to Himachal Pradesh State Cooperative Marketing and Consumers Federation (HIMFED) in October 2002. The material was supplied in December 2002 by HIMFED and final payment of Rs 70.05 lakh was made in January 2003.

Thus by not giving supply order to the firm whose rates were approved by the Director in February 2002, the department had to incur an extra expenditure of Rs 7.60 lakh. Delay in finalising the supply orders also entailed enhancement of the cost of these tools due to rate of exchange variation of Swiss Franc in December 2002 resulting in avoidable excess expenditure of Rs 4.75 lakh. This enhancement consequently affected the sale price of these implements which were to be sold to the horticulturists at subsidised rates.

### ***Evaluation***

**3.2.37** No evaluation to ascertain the impact of the schemes to judge the success and for taking remedial measures to eliminate shortcomings in implementation had, however, been got done through some independent agency as of March 2003.

These points were referred to the Government in June 2003; their reply had not been received (August 2003).

**Social, Women and Scheduled Caste Welfare Department**

**3.3 Welfare of the Handicapped**

**Highlights**

*Funds released by Government of India for implementation of the programme remained largely unutilised during 1998-2003. A large number of persons with disability remained to be covered under the programme as disability certificates/identity cards had not been issued to them. There were very few meetings of State Co-ordination Committee and State Executive Committee. Monitoring and evaluation of the programme was not done. Multiplicity of implementing departments, lack of effective co-ordination by the nodal departments, non-implementation of programmes/schemes and lack of monitoring showed apathy of the State Government towards welfare of the handicapped. Important points noticed as a result of test-check are as under:*

**\*\* Of Rs 5.15 crore received from Government of India, Rs 3.42 crore remained in the banks due to non-implementation of the programme effectively during 1998-2003.**

**(Paragraphs 3.3.4 and 3.3.5)**

**\*\* No specific State policy to address the issues faced by the persons with disability had been framed as of March 2003. Against 10 meetings of State Co-ordination Committee and 20 meetings of State Executive Committee required to be held, only three meetings and one meeting were held respectively during 1998-2003.**

**(Paragraphs 3.3.11 and 3.3.13)**

**\*\* Of the 51,252 persons with disabilities identified during survey, only 28,288 persons (including 812 unidentified persons) were issued disability certificates/identity cards as of March 2003.**

**(Paragraph 3.3.14)**

**\*\* A backlog of 719 posts (class III and IV categories) in 11 out of 51 departments existed though 6,401 persons with disability stood registered with special employment exchanges during 1998-2003. Further identification of similar backlog in the remaining 40 departments had not been done as of June 2003.**

**(Paragraph 3.3.20)**

**\*\* State resource centre for providing specialised services to persons with disability and strengthening of the existing services for producing professional manpower had not been established as of May 2003.**

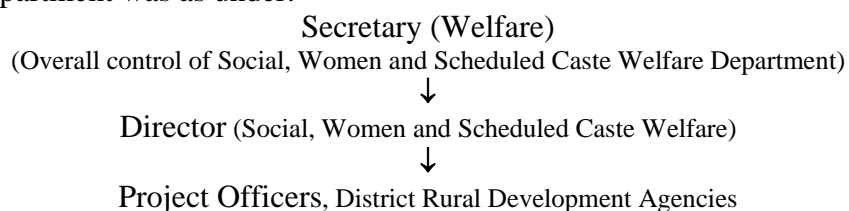
**(Paragraph 3.3.36)**

### **Introduction**

**3.3.1** There are three Acts; viz. Rehabilitation Council of India Act, 1992; Persons with Disabilities (PWD) Act, 1995 and National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 passed by Parliament for the benefit of persons with disabilities. The programme for the welfare of handicapped was launched in the State as a Centrally sponsored scheme during 1996-97 after the introduction of PWD Act, 1995 with three main components (i) Assistance to Disabled Persons for purchasing/fitting of Aids and Appliances (ADIP), (ii) National Programme for Rehabilitation of Persons with Disabilities (NPRPD), and, (iii) Promotion of Voluntary Action for Persons with Disabilities.

### **Organisational set up**

**3.3.2** Social, Women and Scheduled Caste Welfare Department was functioning as nodal agency for the implementation, co-ordination and monitoring of the programme/schemes in the State. Organisational set up of the department was as under:



### **Audit coverage**

**3.3.3** Implementation of the PWD Act, 1995 and two schemes/programmes<sup>1</sup> (ADIP and NPRPD) for the period 1998-2003 was reviewed in audit during December 2002-May 2003 in the office of Director, five Project Officers<sup>2</sup> (POs) of District Rural Development Agencies out of 12 and District Red Cross Society (RCS), Una. Out of a total expenditure of Rs 172.59 lakh incurred on various schemes/programmes during 1998-2003, expenditure of Rs 100.33 lakh (58 per cent) was test-checked. Results of test-check are incorporated in the succeeding paragraphs.

### **Financial assistance and expenditure**

Position of funds released by Government of India and expenditure

1 Scheme for Assistance to Disabled Persons (ADIP) and National Programme for Rehabilitation of Persons with Disabilities (NPRPD).

2 Bilaspur, Hamirpur, Kangra, Sirmour and Solan.

incurred thereagainst during 1998-2003 was as under:

Table: 3.17

(Rupees in lakh)

Year	Funds released by Government of India under various schemes				Expenditure incurred				Unutilised amount
	ADIP	NPRDP	NGOs/ others <sup>3</sup>	Total	ADIP	NPRDP	NGOs/ others <sup>3</sup>	Total	Excess (+) Unutilised (-)
1998-99	10.00	--	--	10.00	10.00	--	1.45	11.45	(+) 1.45
1999-2000	29.80	12.50	32.42	74.72	17.49	--	22.38	39.87	(-) 34.85
2000-2001	100.30	136.40	15.03	251.73	19.13	--	13.59	32.72	(-) 219.01
2001-2002	26.26	108.20	24.49	158.95	3.58	20.60	25.34	49.52	(-) 109.43
2002-2003	18.25	--	1.09	19.34	1.10	36.77	1.16	39.03	(+) 19.69
<b>Total</b>	<b>184.61</b>	<b>257.10</b>	<b>73.03</b>	<b>514.74</b>	<b>51.30</b>	<b>57.37</b>	<b>63.92</b>	<b>172.59</b>	<b>(-) 342.15</b>

Following points were noticed:

**3.3.5** Rupees 3.42 crore remained unutilised in the banks as of March 2003. This was indicative of tardy implementation of the programme for the welfare of PWDs.

**3.3.6** Of Rs 2.57 crore received for the implementation of NPRPD during 1999-2002; Director released Rs 81.95 lakh to two POs (Hamirpur: Rs 50.97 lakh and Kangra: Rs 30.98 lakh) during 2001-2003 and balance of Rs 1.75 crore had not been released as of March 2003. Scrutiny of records, however, revealed that only Rs 57.37 lakh were spent by the POs and balance of Rs 24.58 lakh remained unutilised as of March 2003. Director attributed (March 2003) non-utilisation of funds to non-receipt of project proposal for setting up of State Resource Centre (SRC) from the Principal, Medical College, Tanda (Kangra district). He also stated that District Rehabilitation Centres (DRCs) at Hamirpur and Kangra became functional only during 2002-2003. The plea is not tenable as timely action to utilise the funds and to provide services/facilities to PWDs was not taken by the department. This was indicative of the apathy of the department towards the PWDs.

**3.3.7** According to the terms and conditions of grant-in-aid/assistance, the interest earned on the amount deposited in banks was required to be reported annually to Government of India for approval as it was part of Government of India funds and was to be treated as a credit while releasing further instalment of the grant. It was noticed in audit that interest of Rs 11.20 lakh earned on deposits during 1998-2003 had not been reported to Government of India by five offices<sup>4</sup> as of March 2003. Out of the total interest earned, Rs 5.54 lakh had been deposited into the treasury as state receipt by the Director during March 2001-May 2002. The balance amount of Rs 5.66 lakh was lying in the banks as of March 2003. The Director confirmed (April 2003) the facts.

3 Non-Government Organisations (NGOs), Homes, Schools and Centre for Voluntary Action to PWDs.

4 Director: Rs 5.58 lakh; POs Hamirpur: Rs 2.32 lakh; Kangra: Rs 1.55 lakh; Sirmour: Rs 0.50 lakh and Una: Rs 1.25 lakh.

**3.3.8** Rupees 11.42 lakh received (May 2000) by PO, Bilaspur from Government of India for the implementation of ADIP scheme were unauthorisedly diverted to other programmes (Food for work: Rs 2.42 lakh and SGSY-Gold Mine Project: Rs 9.00 lakh) without approval from Government of India. While admitting the facts PO stated (June 2003) that funds diverted would be recouped. The reply is not acceptable as unauthorised diversion deprived the PWDs of the services and facilities.

### ***Programme implementation***

#### ***Formation of State co-ordination committee and State executive committee***

**3.3.9** The PWD Act, 1995 provided for formation of State Co-ordination Committee (SCC) headed by the Minister incharge of the Department of Social Welfare in the State as Chairperson to review and co-ordinate the activities of all the Government departments/Governmental/non-Governmental organisations dealing with matters relating to PWDs. Similarly, State Executive Committee (SEC) was to be headed by the Secretary (Welfare) as *ex-officio* Chairperson and was responsible for carrying out the decisions of the SCC. SCC was also required to meet once in every six months and SEC at least once in three months.

Following points were noticed in audit:

**3.3.10** The SCC and SEC were not constituted immediately after the introduction of PWD Act, 1995. These committees were actually constituted in January 1997.

**3.3.11** Against 10 meetings of SCC required to be held, only three meetings were held in December 1998, February 2000 and September 2002. SEC, however, met only once (June 1999) against 20 meetings required to be held during 1998-2003. The activities of all Government departments/NGOs dealing with programme implementation were thus not reviewed and coordinated regularly by these committees. Director stated (May 2003) that shortfall in holding meetings was due to non-receipt of information from the concerned departments.

**3.3.12** SEC was responsible for implementation of the decisions of the SCC. It was noticed that the following main decisions taken by SCC in its meetings held in February 2000 and September 2002 had not been implemented as of May 2003.

Setting up of trauma centres in four zonal hospitals;

Identification and involvement of NGO in place of *Himotkarsh* (NGO) for undertaking research work for reducing disability;

Admission of disabled children in *Jawahar Navodaya Vidyalayas* and;

Setting up of special schools with modern facilities for disabled children.

**3.3.13** The Act provides for developing a State policy to address issues faced by persons with disabilities. It was noticed that specific State policy had not been developed as required. The Director confirmed (May 2003) the facts.

**Prevention and early detection of disabilities**

**3.3.14** To prevent the occurrence of disabilities, the State Government was required to undertake survey, investigation and research concerning the cause of disabilities, under the provisions of PWD Act, 1995. According to a survey conducted in 2000 by Deputy Commissioners, 51,252 persons were identified as disabled which formed about 0.84 *per cent* of the total population of the State. District-wise and category-wise details of identified disabled persons were as follows:

**Table: 3.18**

Name of district	Number of identified disabled persons					Persons issued disability certificates	Persons yet to be issued disability certificates	Unidentified persons issued disability certificates
	Visual handicapped	Deaf and dumb	Mentally retarded	Ortho-disabled	Total			
Bilaspur	447	193	189	1211	2040	2517	--	477
Chamba	251	257	39	588	1135	1092	43	--
Hamirpur	686	699	411	2478	4274	1699	2575	--
Kangra	1079	1337	779	5216	8411	4260	4151	--
Kinnaur	155	222	8	380	765	347	418	--
Kullu	1198	1349	82	2137	4766	1733	3033	--
Lahul and Spiti	108	64	18	163	353	177	176	--
Mandi	864	806	303	3837	5810	5810	--	--
Shimla	3216	3722	539	6616	14093	4205	9888	--
Sirmour	254	222	124	1219	1819	2154	--	335
Solan	546	592	288	2619	4045	2179	1866	--
Una	497	375	338	2531	3741	2115	1626	--
<b>Total:</b>	<b>9301</b>	<b>9838</b>	<b>3118</b>	<b>28995</b>	<b>51252</b>	<b>28288</b>	<b>23776</b>	<b>812</b>

It would be seen that out of 51,252 persons identified as disabled, only 28,288 (55 *per cent*) had been issued disability certificates/identity cards. Non-issuance of disability certificates/identity cards, deprived 23,776 PWDs of various benefits/concessions provided by the Government and NGOs as of March 2003. It was noticed in audit that against 3,859 identified disabled persons in Bilaspur and Sirmour districts, 4,671 disability certificates/identity cards had been issued. Issue of 812 disability certificates/identity cards in excess of the number of identified handicapped persons is indicative of the fact that either survey conducted to identify disabled persons was faulty or disability certificates/identity cards were issued to ineligible persons. The Director while admitting (June 2003) the facts did not intimate the reasons for this anomalous position.

### ***Development of educational infrastructure***

**3.3.15** According to the (PWD) Act the State Government was required to ensure that every child with a disability had access to free education in an appropriate environment till he/she attained the age of eighteen years. The Act further provided for promoting integration of students with disability in the normal schools and that special schools also be set up in Government and private sectors. The nodal department had no information regarding the number of disabled children attending educational institutions in the State *vis-à-vis* number of disabled children provided free education and number of left out disabled children during 1998-2003. Further, no special schools were set up in the Government sector during 1998-2003. The SCC in their meeting held in September 2002 directed the Education Department to take necessary action so that children with disability may get reservation in *Navodaya Vidyalayas* also. This had also not been done as of March 2003. Thus, the nodal department failed to implement the provisions of the Act.

### ***Scheme and programme for non-formal education***

**3.3.16** The State Government was required to frame schemes and programmes for imparting non-formal education, functional literacy, education through open schools/university and to provide free of cost special books to those disabled children who could not continue their studies on a whole time basis. The SCC also directed (September 2002) the Education Department to identify such children who could not continue their studies after 5th class and to impart functional literacy to children in the age group of 16 and above.

It was noticed that 991 disabled children availed the benefit of non-formal education through *Anganwari* centres in the State during 2001-2003. Details of children who availed the benefit of education through open schools/university were not known to the nodal department. The nodal department had also not collected the information from Education Department in regard to identifying those children who discontinued their study after 5th class and those provided functional literacy in the age group of 16 and above. Director admitted (May 2003) the facts.

### ***Development of new assistive devices and teaching aids***

**3.3.17** In order to provide equal opportunities in education to the children with disability, the State Government had not initiated any steps to open institutions for designing and developing new assistive devices, teaching aids, special teaching material, etc., during 1998-2003. The Director admitted (May 2003) the facts.

### ***Setting up of teachers' training institutes and preparation of comprehensive education scheme***

**3.3.18** Under the PWD Act, the State Government was required to set up adequate teachers' training institutes to develop trained manpower for schools for children with disabilities. The Act also required the State Government to prepare a comprehensive education scheme to provide transport facility, supply of books and uniforms, etc., for such children. The nodal department had neither set up such institutions nor was aware of the setting up of such institutions by the Education Department during 1998-2003. Information



regarding preparation of requisite comprehensive schemes and allocation of funds for the purpose was also not available. Director stated (May 2003) that the information was being collected from the Education Department.

**Identification and reservation of posts and filling up of vacancies in class I and II categories**

**3.3.19** The State Government was required to identify class I and II posts which could be reserved for PWDs and to review/update the position after three years. Reservation of the posts was to be made at the rate of 3 per cent (one per cent each for blindness/low visions, hearing impairment and locomotor disability/cerebral palsy).

It was noticed in audit that the State Government provided (December 1999) 3 per cent reservation to PWDs in direct recruitment of class I and II posts. Thus, the Government took more than four years to issue the notification after the introduction of the Act. It was further noticed that only 14 posts in 9 out of 51 departments were identified in December 1999. The position was not reviewed/updated after three years, as required.

It was also noticed that neither the nodal department had information of filled up posts nor was the information called for from the concerned departments during 1998-2003. Thus, the department had not implemented the provisions of the Act in full even after a lapse of more than seven years. The Director stated (May 2003) that relevant information had been called for from the concerned departments.

**Setting up of special employment exchanges and filling up of class-III and IV posts**

**3.3.20** According to the provisions of the Act, the State Government was required to set up special employment exchange (SEE) for providing employment in Class-III and IV posts where the employer in every establishment was required to furnish information/return in relation to vacancies for appointment of PWDs. SEE/cell for the purpose was set up (1976) in the Directorate of Labour and Employment. The position of PWDs registered, sponsored and ultimately placed in jobs during 1998-2003 was as under:

**Table: 3.19**

Number of persons registered	Number of persons sponsored	Number of persons placed in jobs
6,401	890	277

It was noticed that backlog of 719 posts in class-III and IV categories in 11 out of 51 departments existed but necessary action to clear the backlog had not been initiated as of March 2003. Identification of similar backlog in remaining departments had also not been done so far. Director stated (June 2003) that the matter was being pursued with the concerned departments.

### ***Provision of employment in poverty alleviation schemes***

**3.3.21** The State Government was required to formulate schemes for ensuring employment to disabled persons and also reserve not less than 3 per cent vacancies in all poverty alleviation schemes for the benefit of PWDs. It was noticed that in five poverty alleviation schemes<sup>5</sup>, Rs 107.05 crore were released by the State Government to the executing agencies<sup>6</sup> during 1998-2003. Against the requisite allocation of Rs 2.61 crore, Rs 2.56 crore were actually allocated for providing employment to PWDs through these poverty alleviation schemes during 1998-2003. Further, against the provision of Rs 2.56 crore, expenditure of Rs 0.66 crore was incurred under three schemes (JGSY: Rs 0.04 crore; IRDP/SGSY: Rs 0.54 crore and IAY: Rs 0.08 crore) and no expenditure was incurred under the remaining two schemes (SRSP and CRSP) for providing employment to disabled persons during 1998-2003. In the SCC meeting held in September 2002, Secretary (RDD) had informed the chairman that the provisions of the Act would be implemented strictly from 2002-2003. However, in four test-checked districts<sup>7</sup>, the required allocation of Rs 1.35 crore for providing employment in poverty alleviation schemes was not made during 1998-2003. Evidently, the provisions of the Act remained un-implemented during the aforesaid period in these districts. While POs, Hamirpur, Kangra and Solan confirmed (February-May 2003) the facts, PO, Bilaspur had not furnished reply as of June 2003.

### ***Implementation of affirmative action schemes***

**3.3.22** The State Government and local authorities were required to frame schemes in favour of PWDs for the preferential allotment of land at concessional rates for houses, business, special recreation centres, special schools, research centres and factories. No such schemes had been framed as of March 2003.

### ***Un-employment allowance***

**3.3.23** The State Government was required to frame a scheme for payment of un-employment allowance to PWDs registered with the SEE for more than two years and who could not be placed in any gainful occupation. The State Government had not framed such a scheme though 44,469 PWDs remained registered with SEE for more than two years as of March 2003. However, in SCC meeting held in September 2002, it was decided not to implement the said scheme due to financial constraints. The provisions of the Act had thus not been implemented.

### ***Implementation of dedicated scheme***

#### ***Assistance to disabled persons (ADIP) scheme***

**3.3.24** The scheme aimed at helping the disabled persons by providing suitable, durable, sophisticated/scientifically manufactured modern, standard

5 State Rural Sanitation Programme (SRSP), Central Rural Sanitation Programme (CRSP), *Jawahar Gramin Swarojgar Yojna* (JGSY); Integrated Rural Development Programme/*Swaran Jayanti Swarojgar Yojna* (IRDP/SGSY) and *Indira Awas Yojna* (IAY).

6 Deputy Commissioners, Projects Officers of District Rural Development Agencies, Block Development Offices, *Gram Panchayats*, etc.

7 Bilaspur, Hamirpur, Kangra, and Solan.

aids and appliances which could promote their physical, social and psychological rehabilitation by reducing the effects of disabilities and enhance their economic potential. It was noticed in audit that physical targets to cover PWDs were not fixed by the Government during 1998-2003. However, targets proposed in the project proposals sent to Government of India by the implementing agencies/Government *vis-à-vis* achievements made thereagainst in five test-checked districts was as under:

Table: 3.20

(Rupees in lakh)

Name of the district	Project period	Number of persons identified	Number of persons proposed to be covered	Number of persons actually covered	Funds demanded	Funds received plus interest	Funds utilised as of March 2003
Hamirpur	1999-2000	4274	4000	352	153.75	16.20	3.87
Kangra	1998-2001	8411	6000	436	156.90	30.40	5.28
Sirmour	1996-99 and 2001-2002	1819	2400	393	29.68	11.50	7.82
Solan	1996-97	4045	200	510	7.50	7.06	6.76
Una	1999-2001	3741	3376	556	118.00	21.25	15.28
<b>Total:</b>		<b>22290</b>	<b>15976</b>	<b>2247</b>	<b>465.83</b>	<b>86.41</b>	<b>39.01</b>

**3.3.25** Of 15,976 PWDs proposed to be covered, 2,247 persons (14 per cent) were actually covered. Thus, there was a shortfall of 86 per cent in the coverage of PWDs mainly due to less receipt and utilisation of funds.

**3.3.26** Against the project proposals of Rs 4.66 crore to cover 15,976 PWDs in the aforesaid five districts, Government of India released Rs 81.80 lakh (18 per cent) during 1996-2002. No efforts were made by the Government to get the remaining funds released which resulted in non-achievement of proposed targets. The Director confirmed (May 2003) the facts.

**3.3.27** Of Rs 86.41 lakh, Rs 47.40 lakh remained unutilised as of March 2003. This indicated tardy implementation of ADIP scheme and deprived the needy disabled persons of the assistance.

**3.3.28** In Sirmour district, against 1819 identified PWDs, project proposal for 2,400 PWDs was sent during 1996-99 and 2001-2002. Thus, the project proposal was not factual. PO, furnished no reply for variation.

#### ***Irregular distribution of aids and appliances***

**3.3.29** According to the guidelines of ADIP, free of cost aids and appliances were to be provided to PWDs who produced requisite eligibility documents. Audit scrutiny revealed (February-May 2003) that in four districts<sup>8</sup>, free of cost aids and appliances valued at Rs 14.98 lakh were distributed to 1,207 persons during 1998-2003 without obtaining requisite eligibility documents. PO Hamirpur and Secretaries, RCS, Kangra and Sirmour stated (February-May 2003) that requisite eligibility documents could not be

obtained due to rush of work in camps and non-availability of guidelines. District Welfare Officer (DWO), Bilaspur stated (February 2003) that documents were not available on record. The replies are not tenable as the camps should have been organised in planned manner and documents obtained/placed on record to ensure eligibility criteria.

### ***Delay in providing aids and appliances***

**3.3.30** Check of the records of POs, Sirmour and Solan districts revealed (May 2003) that delay in providing aids and appliances to PWDs ranged between 3 and 21 months from the date of submission of application by the needy disabled persons. While PO, Sirmour stated (June 2003) that the process to provide assistance was lengthy and would be streamlined in future, PO, Solan stated (May 2003) that delay was due to late reporting by the PWDs in Navedic Institution at Chandigarh for getting the parts fitted. The plea is not tenable as the department should have provided early assistance and arranged the fitment of parts in the camps itself.

### ***Non-submission of utilisation certificates (UCs)***

**3.3.31** According to the guidelines, UCs alongwith a list of beneficiaries assisted in the previous year, physical and financial progress made under the scheme were required to be submitted to Government of India. Test-check revealed the following points:

**3.3.32** In four districts<sup>9</sup>, UCs for Rs 14.10 lakh for the period 2000-2003 had not been sent to the quarters concerned as of March 2003. While PO, Hamirpur attributed (February 2003) non-furnishing of UCs to rush of work, PO, Kangra stated (March 2003) that certificates were not received from the Secretary, *Zila Sakshrata Samittee*, Dharamshala. DWO, Bilaspur and Secretary, RCS Una, however, stated (February-May 2003) that these would be sent shortly.

**3.3.33** PO, Kangra furnished UCs for Rs 30 lakh received from Government of India under the scheme during 1999-2000 against actual expenditure of Rs 5.28 lakh. PO stated (March 2003) that UCs for the total amount of Rs 30 lakh were sent on the basis of information received from Secretary, RCS, Kangra. Thus, UCs were sent without verifying the correctness of expenditure.

### ***National programme for rehabilitation of persons with disability (NPRPD)***

**3.3.34** The NPRPD is a new State sector scheme with the basic objective of providing comprehensive rehabilitation services to PWDs, especially in rural areas, closer to their door-steps, through a four-tier delivery system established at *Gram Panchayat*, Block, District and State levels. The scheme was implemented in Hamirpur and Kangra districts. The scheme was intended to create and provide service delivery system and to create awareness for prevention of disabilities with clear linkages at each level. It also envisaged establishment of one State Resource Centre at a cost of Rs 25 lakh and two District Resource Centres in the covered districts at a cost of Rs 61.95 lakh each. Government of India released Rs 2.57 crore during 1999-2002 for

setting up of SRC and two DRCs at Dharamshala and Hamirpur and providing the requisite services. Of this, Rs 2.07 crore including interest earned on deposits remained unutilised as of March 2003. From 2002-2003 onwards the scheme was to be funded by the State Government from plan allocation as per decision of Government of India conveyed in May 2002.

The following points were noticed:

***Non-providing of funds by the State Government***

**3.3.35** For the continuance of the scheme from 2002-2003 onwards, Rs 1.08 crore were demanded by the nodal department. The funds were, however, not provided by the Government owing to financial constraints. Director admitted (March 2003) the facts. Even though funds were not provided by the State Government, as required, sufficient unspent balance (Rs 2.07 crore) out of the releases of Government of India during the earlier years was available for the implementation of the scheme. Failure to provide funds from State Plan allocation and non-utilisation of available funds showed total apathy of the Government towards the welfare of the handicapped.

***Non-setting up of State Resource Centre (SRC)***

**3.3.36** Government of India sanctioned (1999-2000) setting up of a SRC for the State under the above programme for providing all types of specialised services to PWDs and strengthening of the existing services for producing professional manpower. It was noticed that SRC was not set up as of May 2003 despite availability of funds. This resulted in denial of specialised services to the PWDs. Director confirmed (May 2003) the facts.

***Non-providing of comprehensive rehabilitation services in rural areas***

**3.3.37** To provide comprehensive rehabilitation services to PWDs, especially in rural areas closer to their door-steps, two community based rehabilitation workers (CBRWs) at *Gram panchayat* level and two multipurpose rehabilitation workers (MRWs) amongst health supervisors at block level in the selected districts were to be appointed by October 2001 on monthly honorarium of Rs 500 and Rs 2000 respectively. CBRWs and MRWs were to be imparted training for one and three months respectively.

CBRWs were required to undertake screening of risk cases of children both pre-natal and post-natal and expectant mothers to avoid the occurrence of disability. They were to provide counselling and advise so as to check increase in the extent of disability or a minor impairment turning into a major disability. The CBRWs were also required to provide referral to higher levels for availing services.

The multipurpose rehabilitation workers were to provide simple rehabilitation services like heat therapy and physio therapy. They were to carry out simple repairs of assistive devices and act as powerful catalysts for referral of persons with disabilities to appropriate educational institutions, to health services or to vocational training institutions. The following points were noticed in audit:

**3.3.38** In Hamirpur and Kangra districts, 943 workers (CBRWs: 925 and MRWs: 18) were appointed and trained (February-August 2002) at a cost of Rs 16.47 lakh (Hamirpur: Rs 3.84 lakh and Kangra: Rs 12.63 lakh) during

2001-2003. Honorarium of Rs 10.32 lakh was paid to these workers. It was noticed in audit that no activities had been carried out by them as required under the scheme. The entire expenditure of Rs 26.79 lakh (Hamirpur: Rs 7.05 lakh and Kangra: Rs 19.74 lakh) incurred on their training and honorarium had thus been rendered wasteful and, besides, PWDs were deprived of the availability of rehabilitation services/facilities at the doorsteps.

**3.3.39** Guidelines provided for the appointment of two CBRWs per *panchayat* in the districts selected for implementation of NPRPD. In cases where the number of *gram panchayats* exceeded 400 in the selected district, the expenditure on honorarium and training etc. of CBRWs in excess of 400 *gram panchayats* was to be met by the State Government from its own resources and also by adjusting the savings from other districts having less than 400 *gram panchayats*.

In Hamirpur and Kangra districts, the number of *panchayats* was 945. Based on the norms given in the guidelines, 1890 CBRWs were required to be appointed against which 925 CBRWs were actually appointed. Further expenditure on the payment of honorarium, etc., of 290 CBRWs required to be appointed over and above 1600 was to be met by the State Government. Evidently, required number of CBRWs was not appointed by the State Government to avoid financial burden on the State exchequer. This was indicative of apathy of the State Government towards the handicapped and resulted in tardy implementation of the programme.

### ***Monitoring and evaluation***

**3.3.40** The SCC was required to monitor and evaluate the impact of the policies and programmes designed for achieving equality and full participation of PWDs. No such monitoring and evaluation has been done as of June 2003. Required number of meetings of SCC were not held and decisions taken in the meetings were not fully implemented. The nodal department had no information on various steps taken by the implementing departments under various programmes/schemes implemented for the welfare of the handicapped. Thus, in the absence of any monitoring and evaluation the impact of the scheme remained unassessed.

These points were referred to the Government in June 2003; their reply had not been received (August 2003).

# **CHAPTER-III**

## **SECTION - B**

### **AUDIT PARAGRAPHS**





## SECTION - B AUDIT PARAGRAPHS

### Education Department

#### 3.4 Incorrect fixation of pay of Head Teachers

##### **Incorrect fixation of pay of Head Teachers resulted in overpayment of Rs 18.57 lakh.**

Fundamental Rule (FR) 22 (1) (a) (2) provides that a Government servant on promotion to a new post not involving higher duties and responsibilities shall draw the stage of the promotional scale or if there is no such stage, the stage next above his pay in the old post held by him on regular basis. The position was clarified (July 2001) by the State Government that the benefit of FR 22 (1) (a) (1) was not admissible in cases where promotion was made from a post carrying a pay scale similar to the pay scale of the promotional post.

Test-check of the records (July 2000-January 2003) of the eight Block Primary Education Officers (BPEOs)<sup>1</sup> revealed (October 2002 to March 2003) that 84 Junior Basic Teachers (JBTs) drawing pay in the time scale of Rs 4550-7220 were promoted as Head Teachers in the identical time scale of Rs 4550-7220 and their pay on promotion was fixed by the respective BPEOs under the provisions of FR 22 (1) (a) (1) involving assumption of higher duties and responsibilities which was not correct. Thus, due to wrong fixation of pay, overpayment of Rs 18.57 lakh was made to the Head Teachers from January 1996 to March 2003.

On this being pointed out (October 2002-March 2003) by audit, the Director Primary Education admitted the facts. However, the position of recovery had not been intimated by the department.

The matter was referred to the Government in May 2003; their reply had not been received (August 2003).

#### 3.5 Wrong operation of deposit heads

*8449-Other deposits*

*120-Miscellaneous deposits*

The Principals of privately managed colleges were authorised (March 1985) by the Government in consultation with the Accountant General to open of Personal Deposit Account (PDA) with the concerned treasuries falling in their respective areas. There were eight non-Government affiliated colleges in the

1 Nadaun: Rs 5.40 lakh; Jawali: Rs 1.12 lakh; Lambagaon: Rs 4.25 lakh; Katrain: Rs 3.79 lakh; Kullu: Rs 0.45 lakh; Balh: Rs 1.83 lakh; Dharampur: Rs 0.54 lakh and Dharampur-II: Rs 1.19 lakh.

State as of June 2003. The PDA was to be operated subject to the fulfilment of the following conditions:

The transactions out of PDA were for credit of Government grant-in-aid to privately managed institutions and these institutions were to deposit their own contributions for the disbursement of salary of staff of the concerned college, on monthly basis.

The cheques were to be drawn by the Principals of the private colleges each month upto the amounts allowed on specific authorisation by the Director of Education who was to communicate each month the amounts to be authorised for withdrawal from each PDA to the concerned Treasury Officers/Sub-Treasury officers.

The amount of grant-in-aid to be released to a college was to be limited to 95 *per cent* of the deficit of the estimated income and the expenditure likely to be incurred on payment of the salary of the approved staff (teaching and non-teaching) during the financial year, subject to adjustment of over and under payments in accordance with the norms at which the salary is being paid to the staff in Government Colleges. As per prescribed application form annexed with Grant-in-aid Rules, the expenditure on salary includes basic pay, dearness pay, dearness allowance, compensatory allowance, house rent allowance and interim relief. Test-check of records (May-June 2003) of Director of Education and concerned Treasury officers revealed the following points:

Between 1998-99 and 2002-2003 an amount of Rs 2.98 crore on account of Employers Share towards contribution to Employees Provident Fund/Contributory Provident Fund (EPF/CPF) was reimbursed to non-Government Affiliated Colleges which was not part of salary as per grant-in-aid rules.

The Director of Education stated (June 2003) that the matter would now be taken up with the Government. The reply is not acceptable as share of employers contribution to EPF/CPF does not form part of salary for reimbursement.

Similarly administrative charges on handling EPF amounting to Rs 2.45 lakh (95 *per cent*) incurred during 2002-2003 by two colleges were reimbursed whereas these charges were not part of salary. Thus inadmissible payment of Rs 2.45 lakh was made to the colleges.

These points were referred to the Government in June 2003; their reply had not been received (August 2003).

## Finance Department

### 3.6 Wrong operation of Reserve funds

Test-check of records in respect of certain reserve funds conducted (April-June 2003) in the department of Finance, revealed the following points:

*8229-Development and Welfare Fund*

*110-Electricity Development Fund*

*Satluj Jal Vidyut Nigam* (SJVN) (formerly known as Nathpa Jhakri Power Corporation Limited) is a joint venture of the Government of India and Himachal Pradesh, with an equity participation of 75 per cent and 25 per cent respectively. The State's share is released to SJVN on demand, depending upon the progress of expenditure.

In June 1992, Finance Department requested Accountant General to authorise them to open a Personal Deposit Account (PDA) for placing the State's share of investment in SJVN. This amount was to be withdrawn from the head "4801-Capital Outlay on Power Projects" and placed under the head "8229-Development and Welfare Fund, 110-Electricity Development Fund". In July 1992, Accountant General authorised the opening of a PDA for the purpose in the name of the Director, Institutional Finance and Public Enterprises (DIFPE), subject to the provisions of financial rules.

Scrutiny of records of the DIFPE and the Department revealed (April-June 2003) the following points:

Total approved cost of the Project was Rs 7666 crore and the State's equity share worked out to Rs 958.25 crore. Of this Rs 843.90 crore had been released by the State Government upto 31 March 2003 leaving a liability of Rs 114.35 crore as of 31 March 2003. Test-check (May 2003) revealed that on 31 March 2003 the DIFPE credited Rs 208.56 crore to the existing balance of Rs 31.88 crore in the PDA of the department. Thus Rs 240.44 crore (Rs 31.88 crore+Rs 208.56 crore) was available in PDA on 31 March 2003. Keeping in view the liability of Rs 114.35 crore of equity share an amount of Rs 126.09 crore (Rs 240.44 crore minus Rs 114.35 crore) was credited in excess of State's share to PDA. Evidently, the funds were drawn without assessment of requirement. The DIFPE stated (May 2003) that the cost of the project is likely to increase in which the State share will also increase proportionately and the excess amount would take care of this situation. The reply of the department is not tenable as drawal of amount in excess of requirement and crediting the same to PDA was irregular.

Himachal Pradesh Financial Rules provided that the financial limits on each PDA were to be fixed before referring the cases to Accountant General. Accordingly a ceiling limit of Rs 50 crore was fixed for opening the PDA in concurrence with the Accountant General. However, DIFPE failed to observe the ceiling and drew excess amount over the financial limit ranging between Rs 78.88 crore and Rs 190.44 crore during 2001-2003. The Treasury Officer, Shimla also did not exercise proper check and allowed drawal in excess of prescribed limit. The department stated (May 2003) that the matter regarding

enhancement of the limit from Rs 50 crore to Rs 200 crore has been taken up with the Accountant General (May 1998) but the limit has not been enhanced so far (May 2003). The reply of the department is not tenable as enhancement in financial limit requested by the department was not found justified and the PDA had been operated without concurrence. Moreover, the amount credited to the PDA was far in excess of State's liability on account of equity share as pointed out in sub-para (i) supra.

## **Health and Family Welfare Department**

### **3.7 Underutilisation of Cath Lab facilities, non-providing of by-pass surgery/open heart surgery facilities**

**Cath Lab, etc., established at an expenditure of Rs 5.11 crore was underutilised due to non-providing of by-pass/open heart backup. Besides, Rs 2.80 crore were lying unutilised with the department.**

Government of India sanctioned (December 1995) central assistance of Rs 3.50 crore for establishment of a Cath Lab, digital cardiography and bedside monitor and central monitoring system for CCU in Indira Gandhi Medical College (IGMC), Shimla. The amount was drawn in March 1996 by the Deputy Commissioner, Shimla. The State Government had also sanctioned (September 1996) Rs 2.50 crore for this purpose. Additional funds of Rs 2.80 crore were also sanctioned (March 1998) by the Government for purchase of machinery and equipment for by-pass/open heart surgery. Construction of new hospital building for IGMC Phase-II was approved (March 1997) for Rs 9.61 crore by the Government wherein the space for the Cath Lab was earmarked. The work stipulated to be completed in three years, was started in July 1997 and is in progress as of July 2003. For providing cardio thoracic surgery (CTS) facilities, it was decided (September 1998) to house the open heart surgery unit in OT-8 of Operation Theatre complex. The by-pass/open heart surgery was to be started tentatively in October 1998 with sanctioned staff of 23.

Test-check of records of IGMC revealed (May 2002) that Cath Lab was providing only routine angiography and other diagnostic facilities were temporarily established in December 1997 on 3<sup>rd</sup> floor of IGMC Phase-I building at an expenditure of Rs 5.11 crore. Unspent amount of Rs 0.89 crore was deposited into Government treasury (June 1998). Only angiography procedures, which were safe, simple and free from complications, were being performed. As such, out of 2,558 patients investigated since January 1998, 596 patients had to be referred outside the State for by-pass surgery/open heart surgery causing these patients great inconvenience and compelling them to incur substantial expenditure on treatment. The Cath Lab, etc., was not fully utilised in the absence of by-pass/open heart surgery backup. Rs 2.80 crore provided by the Government in March 1998 for procuring machinery and equipments for providing by-pass/open heart surgery facilities alongwith establishment of Cardio Cath Lab and angiography facilities had not been utilised for the purpose as of July 2003 and had been kept in various banks as

fixed deposits. Thus the CTS department and CTS equipment could not be fully established and utilised due to delay in completion of IGMC Phase-II building.

The Principal, IGMC stated (March 2003) that the 4<sup>th</sup> floor of phase-II building was under construction and supply orders for the purchase of machinery and equipments for by-pass/open heart surgery were yet to be placed. The Executive Engineer, Medical College Division intimated (July 2003) that the building work could not be completed as the complete site was not handed over at the start and due to non-deposit/non-provision of sufficient funds by the medical authorities. He further stated that the work is expected to be completed in March 2004. The reply was not convincing as due to delay in completion of Phase-II building and even after availability of sufficient funds the department failed to provide for by-pass/open heart surgery facilities after a lapse of more than five years. Thus, due to delay, the Cath Lab facilities could not be fully utilised resulting in denial of intended benefits to the people of the State in spite of incurring expenditure of Rs 5.11 crore. Besides, funds of Rs 2.80 crore meant for purchase of machinery and equipments also remained locked and the staff was also not fully utilised.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).

### **3.8 Idle investment on construction of nurses hostel at Khaneri**

#### **Investment of Rs 41.91 lakh on construction of hostel building at Khaneri proved idle.**

The State Government accorded (July 1997) administrative approval and expenditure sanction for Rs 45.67 lakh for construction of hostel building for 30 nurses in the 200 bed hospital at Khaneri in Rampur. Government of India also released (March 1998) Rs 18.75 lakh for opening of a nursing school at Rampur. Subsequently, the State Government proposed shifting of nursing school from Khaneri in Rampur to Dharamshala which was accepted by the Government of India in July 1998.

Test-check of the records (October 2002) of the Senior Medical Officer (SMO), Mahatma Gandhi Medical Services Complex (MGMSC), Khaneri, Rampur revealed that the construction of the hostel building was taken up by the Public Works Division, Rampur in December 1997. The building, completed at a cost of Rs 41.91 lakh, was handed over to the Medical Department in November 1999. However, the building had been lying unutilised as of March 2003. It was further noticed that the entire nursing staff serving at MGMSC, Khaneri was accommodated in 116 residential quarters constructed at Khaneri and these quarters were sufficient to meet their requirement. The construction of nursing hostel was, thus, not necessary.

The Director Health Services admitted (January 2003) that the nurses hostel could not be utilised due to shifting of Training School from Khaneri to Dharamshala.

Thus, the expenditure of Rs 41.91 lakh incurred on the construction of nurses hostel building Khaneri had not served the intended purpose and resulted in idle investment.

The matter was referred to the Government in April 2003; their reply had not been received (August 2003).

### **Home Department (Home Guards, Civil Defence and Fire Services)**

#### **3.9 Non-utilisation of loan for purchase of fire fighting equipments, etc.**

#### **Loan of Rs 4.79 crore raised for procurement of fire fighting equipments/appliances, etc., in March 2002 and March 2003 was not utilised.**

Government of India approved (September 2001 and March 2003) raising of loans by the State Government from General Insurance Corporation of India (GIC) for the purchase of specified capital equipments for fire fighting purpose and construction of fire station buildings in backward/other identifiable areas. The Director General, Home Guards, Civil Defence and Fire Services submitted (November 2001 and November 2002) to the State Government proposals for Rs 0.49 crore and Rs 4.30 crore respectively for procurement of fire fighting equipments/appliances. Accordingly, the loans of Rs 0.49 crore and Rs 4.30 crore were raised in March 2002 and March 2003 and the amounts were deposited in Government Treasury (March 2002 and April 2003) under the head "6003-Internal Debt of State Government". The loans were to be utilised during the financial years 2001-2002 and 2002-2003.

Test-check (November 2002) of records of Chief Fire Officer, Shimla and the additional information collected (July 2003) revealed that the loans had not been utilised as of July 2003 as provisions for the purpose had not been made in the budget for 2001-2002 and 2002-2003. Thus the loans of Rs 4.79 crore had not been utilised for the purpose these were raised. Besides, interest liability of Rs 23.99 lakh accrued on the loan upto July 2003. The Director General, Home Guards, Civil Defence and Fire Services while admitting the facts stated (February 2003 and July 2003) that allocation of budget against these loans was under process with the Government. He further stated that 45 fire fighting vehicles of the department were more than 10 years old and required replacement. 22 fire stations in the State were required to be equipped with latest fire fighting vehicles and equipment. But due to financial constraints the procurement of such vehicles/modern equipments and construction of various fire station buildings could not be undertaken.

The fact remains that the loans raised for the purpose were not utilised.

The matter was referred to the Government in February 2003; their reply had not been received (August 2003).

## **Revenue Department**

### **3.10 Diversion of Calamity Relief Funds**

#### **Rupees 31.37 lakh were irregularly diverted from calamity relief funds by two Deputy Commissioners for fresh/ongoing works, etc.**

Instructions (May 1987) of the Government of India provide that calamity relief funds should not be utilised on fresh works. These funds are to be utilised for old works damaged during the calamity. The State Government also directed (January 1998) that whenever the Controlling Officers proposed to spend the funds on fresh works, the approval of the Government was invariably necessary.

Test-check (February 2001-January 2002) of the records of the Deputy Commissioners (DCs), Chamba and Kullu revealed that Rs 31.37 lakh were diverted for execution of 23 works during 1999-2002 out of the calamity relief funds although these works were not caused by natural calamities. The works pertained to construction of roads, paths, parking place, breast wall and repair works. It was also noticed in audit that Rs 5.14 lakh were spent on replacement of wiring of DC residence at Chamba (Rs one lakh), rewiring to SDM office, Chamba (Rs 0.73 lakh), repair of microfilming machine (Rs 1.20 lakh) and replacement of roofing of Block "A" of combined office building at Chamba (Rs 2.21 lakh) none of which were caused by natural calamities. Approval of the Government was also not obtained for execution of fresh works as per the directions of the Government.

DC, Kullu stated (October 2002) that roads, paths and residential buildings were badly damaged due to heavy rains and needed immediate repairs. The reply is not tenable because funds were utilised on construction of original works. DC, Chamba stated (February 2002) that funds were sanctioned for repairs/reconstruction of structures that were damaged due to various natural causes including heavy rains and floods, etc. The contention is not tenable because funds were not utilised keeping in view the aforesaid instructions of Government of India/State Government.

Thus, the DCs misused funds of Rs 31.37 lakh meant for restoration of relief works affected by natural calamity.

The matter was referred to the Government in February 2003; their reply had not been received (August 2003).

## Miscellaneous Departments

### 3.11 Failure to respond to Audit objections and non-compliance

#### Inadequate response to Audit findings and observations resulting in erosion of accountability.

Accountant General (AG) (Audit) arranges to conduct periodical inspection of Government departments to test-check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities, etc., detected during inspection are not settled on the spot, these IRs are issued to the Heads of offices inspected with copy to the next higher authorities. The Financial rules/orders of Government provide for compliance within six weeks by the executive to the IRs issued by the AG to ensure corrective action in compliance with the prescribed rules and procedures and enforce accountability for the deficiencies, lapses, etc., noticed during his inspection. The heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions within six weeks and report their compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the AG. A half yearly report of pending reports is sent to the Principal Secretary (Finance) in respect of pending IRs to facilitate monitoring of the audit observations in the pending IRs.

A review of the IRs issued to 122 DDOs during 1967-68 to December 2002 pertaining to Agriculture (48 DDOs) and Revenue (74 DDOs) departments disclosed that 2336 paragraphs relating to 519 IRs remained outstanding at the end of June 2003. Of these, 416 IRs, containing 1847 paragraphs had not been settled for more than 10 years. Year-wise position of the outstanding IRs and paragraphs is detailed in the **Appendix-XI**.

Though initial replies were required to be received from the heads of offices within six weeks from the date of issue, such replies were not received in respect of 23 offices (Agriculture: 12 and Revenue: 11) for 23 IRs issued between October 1999 to December 2002. As a result, action taken on the serious irregularities commented upon in the outstanding IRs of Agriculture and Revenue departments as detailed in **Appendix-XII** is not known to audit.

A review of the pending IRs in respect of Agriculture and Revenue departments revealed that the concerned heads of the offices and the heads of the department did not send complete replies to a large number of IRs/Paragraphs indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs and thus failed to discharge their due responsibilities.

The above failure also indicated lack of action against the defaulting officers thereby facilitating the continuation of financial irregularities and loss to the Government though these omissions were pointed out in Audit.



It is recommended that Government look into the matter and ensure that procedure existed for (a) action against the officials who failed to send replies to IRs/Paragraphs as per the prescribed time schedule, (b) action to recover losses/outstanding advances/overpayments in a time bound manner, and, (c) revamping the system to ensure proper response to the audit observations in the Department.

The matter was referred to Government in June 2003; reply had not been received (August 2003).

### 3.12 Irregular drawal of advances on Abstract Contingent Bills

To avoid delay in the discharge of claims, advances for countersigned contingencies are required to be drawn on Abstract Contingent Bills (AC Bills) by the Drawing and Disbursing Officers (DDOs) subject to presentation of Detailed Contingent Bills (DC Bills) to the Controlling Officers (COs) for countersignature and for onward transmission to the Accountant General. Further, no fresh AC bills can be drawn by DDOs until the AC bills drawn during the previous months are adjusted by submitting DC bills to the COs. A certificate to the effect that the DC bills have been submitted to the COs in respect of AC bills drawn more than a month is also required to be attached to every AC bill.

Test-check of the records of 18 DDOs under Youth Services and Sports (YSS), Revenue and Education departments revealed (June 2003) that these DDOs drew Rs 251.17 crore through 649 AC bills during 2002-2003 by debiting the expenditure to the final heads of account to meet the expenditure on construction of stadium/play grounds, relief on account of natural calamities, purchase of POL, supply of free text books, construction of school buildings, etc.

The details of these drawals and their adjustment as on 30 June 2003 are given below:

**Table: 3.21**

(Rupees in crore)

Sr. No.	Name of Department	No. of DDOs	AC bills drawn		DC bills submitted		DC bills awaited	
			Number	Amount	Number	Amount	Number	Amount
1.	Youth Services and Sports	2	160	6.85	68	2.25	92	4.60
2.	Revenue	7	203	145.01	147	0.27	56	144.74
3.	Education	9	286	99.31	16	0.02	270	99.29
Total:		18	649	251.17	231	2.54	418*	248.63

Non-adjustment of AC bills was attributed (June 2003) by Director, YSS, Commissioner (Revenue) and Director of Education departments to

\*

Year	No. of bills	Amount (Rs in crore)
2000-2001	120	32.31
2001-2002	130	126.70
2002-2003	168	89.62
<b>Total:</b>	<b>418</b>	<b>248.63</b>

non-receipt of accounts from executing agencies. It was further stated that no officer was declared as DDO to draw advances on AC bills by any of the departments mentioned above.

Further the AC bills were being drawn in form HPTR-5 instead of form STR-31. Instead of submitting the DC bills for adjustment of advances to the Accountant General, the advances drawn on AC bills were being adjusted through the treasuries. It was also noticed that the Director, Primary Education drew (April 2002-March 2003) 136 AC bills out of outstanding 418 AC bills, amounting to Rs 73.36 crore but had not submitted any detailed DC bills (June 2003) for their adjustment.

The matter was referred to the Government in July 2003; their reply had not been received (August 2003).

### **3.13 Misappropriations, defalcations, etc.**

The position of cases of misappropriations, defalcations, etc., of Government money reported to Audit upto the end of March 2003, final action on which was pending as of June 2003, was as under:

**Table: 3.22**

<b>(Rupees in lakh)</b>		
<b>Particulars</b>	<b>Number of cases</b>	<b>Amount</b>
Cases reported upto 31 March 2002 and outstanding on 30 June 2002	63	130.55
Cases reported during 2002-2003	02	2.40
Cases disposed of upto June 2003	--	--
Cases outstanding on 30 June 2003	65	132.95

Of these, 17 cases (amount involved: Rs 8.01 lakh) relating to shortages of materials, accident during excavation, fire, washing away of *kuhl*/bridge/buildings, theft of cash, machinery, bitumen, detonators, MS Plates, GI Pipes, etc., were outstanding for more than 20 years. Twenty six cases involving Rs 56 lakh pertained to the Public Works Department, 14 cases involving Rs 27.58 lakh to the Irrigation and Public Health Department and six cases involving Rs 3.73 lakh to the Forest Farming and Conservation Department. Of the 46 cases outstanding in these three departments, 33 cases involving Rs 58.78 lakh were awaiting completion of departmental investigations (upto three years: three cases: amount involved: Rs 45.40 lakh; more than three years but upto five years: four cases: amount involved: Rs 0.77 lakh; more than five years but upto 10 years: 11 cases: amount involved: Rs 6.65 lakh; more than 10 years but upto 15 years: three cases: amount involved: Rs 1.87 lakh; more than 15 years but upto 20 years: six cases: amount involved: Rs 1.67 lakh and more than 20 years: six cases: amount involved: Rs 2.42 lakh).

Government need to take suitable steps to finalise the cases in a time bound manner.